

FRANCHISE AGREEMENT



THIS FRANCHISE AGREEMENT is made on the Execution Date.

BETWEEN

Jim's Group Pty Ltd ACN 101 925 268 as detailed in item 2(a) of the Schedule (**National Franchisor**)

AND

The Franchisor, as detailed in item 2(b) of the Schedule (**Franchisor**)

AND

The Franchisee, as detailed in item 2(c) of the Schedule (**Franchisee**)

(together, the **Parties**)

Recitals

WHEREAS:

- A. The National Franchisor has developed and is the owner of or is the licensee of certain computer software, methods, systems and other Intellectual Property (as defined below) for the conduct of the business of selling and servicing franchises under the "Jim's" name and has developed a reputation throughout Australia, New Zealand, Canada and the United Kingdom in certain Intellectual Property including Trade Marks in connection with that business.
- B. The National Franchisor has established the Division and appointed the Divisional Franchisor.
- C. The Divisional Franchisor has the right (or may have appointed a Franchisor who has the right) to:
 - (i) grant a franchise business to franchisees, in a territory within the Region;
 - (ii) use and license the use of the Intellectual Property in the operation of that franchise business; and
 - (iii) use the Franchise System as defined in this Agreement.
- D. The Parties have agreed to enter into this Agreement to record all matters governing their relationship for the operation by the Franchisee of the Franchise Business in the Territory.

IT IS AGREED:

1. Interpretation

The following words and expressions used throughout this Agreement are defined as follows:

ABN means the Australian Business Number supplied by the ATO.

Advertising Funds means the funds administered by the Divisional Franchisor and/or Franchisor into which the Monthly Advertising Fees, and all other monthly advertising fees paid by other franchisees in the Region to the Franchisor, are paid.

Agreement means this franchise agreement and includes any schedule, special condition or annexure to the agreement and each document entering into for the purpose of amending, assigning, novating, restating or replacing the franchise agreement.

Allowable Services means those services specified in item 18 of the Schedule that Franchisees may provide under Pay for Work Guarantee.

Annexure A means Annexure A attached to the Agreement.

ASIC means the Australian Securities and Investments Commission.

ATO means the Australian Taxation Office.

Booking Confirmation Fee means the monthly fee (for that part of the month the Franchisee chooses to opt in to the service) specified in item 28 of the Schedule, payable by the Franchisee to the Franchisor, for the service provided by the National Franchisor (or the Customer Contact Centre, as the case may be) to send an SMS to the Franchisee's Client confirming the Client booking received.

Business Name means the name registered with ASIC in respect of the operation of the Franchise Business (as agreed by the Parties).

Call Transfer Fee (if applicable) means the fee specified in item 29 of the Schedule, payable monthly by the Franchisee to the Franchisor for the service provided by the Customer Contact Centre to transfer a telephone call from a new client to the Franchisee's mobile phone (after the Customer Contact Centre has recorded the Client's details). This fee is payable regardless of whether the Franchisee is able to take the transferred telephone call or not.

Claim means a Pay for Work Guarantee Claim made in accordance with Clause 6.

Claim Week means the Week for which a Pay for Work Guarantee Claim is made by the Franchisee to the Franchisor in accordance with Clause 6.

Clause means a clause of this Agreement.

Client means any person, company or other legal entity who retains the Services of the Franchisee or who retains the Services of any franchisee in the Division.

Client Lead means the mere opportunity provided by the Franchisor to the Franchisee to provide either a service or a quotation for a service following any inquiry relating to services offered by the Franchisee, excluding inquiries obtained through the Franchisee's own efforts with respect to door knocking, canvassing or referrals directly from one franchisee in the Region or Division to another franchisee and excluding Clients whose details are contained in the client register specified in Clause 4.21.

Client Value means the fee payable specified in item 12 of the Schedule which is equal to the value of the Regular Clients.

Code means the Competition and Consumer (Industry Codes—Franchising) Regulation 2014, as amended from time to time.

Commencement Date means the date specified in item 1(b) of the Schedule.

Compliance Discount means the reduction in Monthly Base Fee specified in item 8(b) of the Schedule.

CPI means consumer price index (All Groups) (Weighted Average of eight capital cities) published by the Australian Bureau of Statistics from time to time in respect of each Period (as defined in Clause 16.9).

Customer Contact Centre means a location as specified by the National Franchisor capable of providing administration services to the franchisees, franchisors and divisional franchisors of the National Franchisor.

Disclosure Document means the disclosure document(s) required to be provided by the National Franchisor and the Franchisor to the Franchisee in accordance with the Code and which is attached to this Agreement.

Division means the group of franchisors and franchisees who provide the Services and use the National Franchisor's Trade Marks.

Divisional Franchisor means any person, company or other legal entity which has signed a divisional franchise agreement with the National Franchisor to provide support for the franchisors and franchisees in the Division and includes its servants, employees, agents and its successors and permitted assigns. The Divisional Franchisor is chiefly responsible for providing Division specific training, defining and maintaining technical standards with regard to the Services. The Divisional Franchisor may also be (a) the Franchisor in some Divisions; and/or (b) the National Franchisor in some Divisions.

Divisional Franchise Business means the business or franchise granted by the National Franchisor to the Divisional Franchisor for the right to grant and service franchisors and franchisees in the Region for a fee, pursuant to the Divisional Franchise Agreement.

Documentation Fee means the once off fee as set out in item 7(c) of the Schedule payable by the Franchisee to the National Franchisor (via the Franchisor), for the administrative costs associated with the preparation of the franchise documentation by the National Franchisor for the Franchisee.

Dollars and \$ mean Australian dollars.

Domain Name means any registered domain name in a form acceptable to the parties for use in the Franchise Business.

Earnings means the gross income earned by the Franchisee's Franchise Business prior to any adjustments for Taxes or GST (minus the cost of Materials).

Employee the principal or sole worker of the Franchisee as approved by the National Franchisor and the Franchisor from time to time.

Excluded Services means those services that are set out in item 6 of the Schedule.

Execution Date means the date this Agreement is signed by the Parties specified on the execution page of the Schedule.

Franchise Agreement means the then current franchise agreement prescribed by the National Franchisor (to which the National Franchisor, the Franchisor and a Franchisee are parties) for the operation of a Franchise Business by a Franchisee.

Franchise Business means the right granted by the Franchisor to the Franchisee to use the National Franchisor's developed methods, computer systems and the Intellectual Property for the provision of Services to Clients in the Territory, in accordance with this Agreement.

Franchisee Controlled Marketing Levy means the funds controlled by Franchisees to be used for marketing, and which can be cancelled at any time by majority vote of Franchisees in the Region as specified under item 9 of the Schedule if applicable.

Franchise Image means the distinctive appearance, reputation and presentation of the National Franchisor and/or Placitum Pty Ltd.

Franchise System means the set of procedures and protocols developed by the National Franchisor for the provision of Services to Clients.

Franchisee means that person, company or other legal entity as described in item 2(c) of the Schedule, including its servants, employees, agents and its successors and permitted assigns.

Franchisee Retraining means a training course conducted by the National Franchisor for Franchisees to improve their customer service skills.

Franchisor means that person or company set out in item 2(b) of the Schedule and includes its servants, employees, agents and its successors and permitted assigns. In some Divisions, the Divisional Franchisor may also be the Franchisor.

Free Service Maximum means the maximum amount for services provided under the Pay for Work Guarantee as specified in item 19 of the Schedule.

GST means the Goods and Services Tax as defined by Australian taxation legislation from time to time. All fees and charges in this Agreement are inclusive of GST, unless otherwise stated.

Guarantors means the directors of the Franchisee (if the Franchisee is a company) specified in item 2(d) of the Schedule.

Information Statement means the information statement set out in Annexure 2 of the Code.

Initial Franchise Fee means the amount payable by the Franchisee to the Franchisor in consideration for the Franchisee entering into this Agreement, specified in item 7(a) of the Schedule or, where an existing franchisee sells part or all of the franchise business, the purchase price specified in the Sale of Business agreement. The Initial Franchise Fee is payable by the Franchisee to the Franchisor on the Execution Date unless the Franchisee and the Franchisor have agreed on a payment plan for the payment of the Initial Franchise Fee, which payment plan is also set out in item 7(a) of the Schedule or in the sale of business agreement.

Initial Training means the compulsory training course conducted by the National Franchisor or the Divisional Franchisor, as the case may be, as specified and at the Initial Training Cost set out in item 20 of the Schedule.

Initial Warranty Fee means the non-refundable amount payable by the Franchisee, specified in item 7(b) of the Schedule and to be forwarded to the National Franchisor on the Execution Date. At the sole discretion of the National Franchisor, the Initial Warranty Fee will be used for insurance to cover trainers, and to cover any other costs arising from training injuries not otherwise covered. Also, to protect the reputation of the Franchise Business by rectifying deficient work where the Franchisee responsible has refused to rectify, left the system or cannot be identified.

Intellectual Property means existing and future rights comprised in any patent, copyright, design, eligible circuit layout, trade mark or name including goodwill, reputation or similar rights whether at common law or conferred by statute, rights to apply for registration under a statute in respect of those or like rights and rights to protect trade secrets, confidential information and know how, throughout the world for the full period of the rights and all renewals and extensions including but not limited to:

- (a) all information, methods and knowhow which relates to the Franchise Business and Franchise System now existing or that may be subsequently designed, developed or owned by the National Franchisor whether in a tangible or intangible form;
- (b) rights in the Manuals;
- (c) rights in the Franchise System;
- (d) rights in the Franchise Image;
- (e) rights in all technical, marketing and other information;
- (f) the Trade Mark;
- (g) all Client, potential Client and customer data;
- (h) the Domain Name(s) and email addresses; and
- (i) Business Name(s).

Interested Franchisees means all franchisees (including the Franchisee) in the Franchisor's Region who:

- (a) own a franchise business in a territory situated within a 25 kilometre radius; and
- (b) have advised the Franchisor in writing of their interest in selling their franchise business.

Jim's Jobs means the software application for computers, iPhones, iPads or other similar devices which is a business tool for franchisees and is currently named "Jim's Jobs".

Jim's or Jim's Group means the National Franchisor.

Jim's Insurance means Jim's Insurance Services Pty Ltd A.C.N 145 508 283 and includes its successors and permitted assigns.

Law means federal, state, territory and local law, statute, treaty, case law, regulation, executive order or ordinance, in each case as amended, replaced, re-enacted or consolidated.

Lead Fee means the amount payable by the Franchisee to the Franchisor and listed in item 10 of the Schedule.

Manuals means the manuals specified in item 13 of the Schedule supplied by the National Franchisor, the Franchisor and/or the Divisional Franchisor to the Franchisee and attached to this Agreement and each amendment, variation or addition made by the National Franchisor and the Divisional Franchisor from time to time in accordance with Clauses 4.3 and 4.4.

Materials means all items or goods necessary for the operation of the Franchise Business including but not limited to letterhead, envelopes, signs, brochures, leaflets, invoices, uniforms and any other promotional material.

Monthly Advertising Fee means the amount payable by the Franchisee to the Franchisor to be utilised by the Divisional Franchisor and/or Franchisor for all advertising and marketing of the Services, specified in item 9 of the Schedule.

Monthly Base Fee means the amount payable by the Franchisee to the Franchisor in respect of the operation of the Franchise Business specified in item 8(a) of the Schedule.

Monthly Franchise Fees means:

- (a) the Monthly Advertising Fee;
- (b) the Monthly Base Fee;
- (c) the Lead Fee; and
- (d) the National Branding Fee;
- (e) the Technology Fee; and
- (f) the Booking Confirmation Fee (as applicable);
- (g) the Paging Fee; and
- (h) the Call Transfer Fee (as applicable).

National Branding Fee means the amount set out in item 11 of the Schedule payable by the Franchisee to the Franchisor (who will forward it on to the National Franchisor to apply it to the promotion of the Jim's brand nationwide, including merchandise, photography, brochures/flyers, website design, graphic design, equipment rental, radio advertising, print advertising, general advertising and the recognition of Jim's franchisees by way of vouchers, gifts and rewards to aid franchisee retention and assist with marketing).

National Franchisor means Jim's Group Pty Ltd A.C.N. 101 925 268, its servants, employees, agents and its successors and permitted assigns.

New Vacant Territory means an area within the Franchisor's Region which has not previously been sold to a franchisee.

Notice of Breach means a written notice issued to the Franchisee by the National Franchisor and/or the Franchisor pursuant to the Code notifying the Franchisee that the National Franchisor and/or Franchisor propose to terminate the

Agreement due to a breach of the Agreement by the Franchisee and setting out what the Franchisee must do to rectify the breach and when the breach must be remedied by.

Other Amounts (if applicable) means any amounts payable by the Franchisee to the National Franchisor and/or its related entities for other items purchased by it during the Term (including but not limited to diaries and uniforms purchased from the National Franchisor and/or its related entities or the Franchisor) and/or amounts payable by the Franchisee for conferences, accommodation and/or telephone bills).

Paging Fee means the fee specified in item 30 of the Schedule, payable monthly by the Franchisee to the Franchisor for pages / messages sent to the Franchisees (including but not limited to communications and Client Leads).

Pay for Work Guarantee Amount means the amount specified in item 15 of the Schedule.

Pay for Work Guarantee Claim means a Pay for Work Guarantee claim made in accordance with clause 6 of this Agreement.

Plant and Equipment means any machinery or tool required by the Franchisee to operate the Franchise Business in the manner required by the National Franchisor and the Franchisor from time to time (including but not limited to trailers and/or vehicles).

Region means the area granted by the National Franchisor to the Franchisor pursuant to the Regional Franchise Agreement specified in item 4 of the Schedule, or as amended by agreement between the National Franchisor and the Franchisor.

Regional Business means the business or franchise granted by the National Franchisor to the Franchisor for the right to grant and service franchisees in the Region for a fee, pursuant to its Franchise Agreement.

Regional Franchise Agreement means the agreement entered into between the Franchisor and the National Franchisor in respect of the Regional Business.

Regular Client means any Client being serviced at an agreed interval, which is no more than the period specified in item 26 of the Schedule.

Relevant Area means the area situated within a radius (the distance of which is stated in item 16 of the Schedule) of the New Vacant Territory.

Schedule means the schedule attached to this Agreement.

Services means the work carried out by the Franchisee for Clients pursuant to this Agreement and set out in item 5 of the Schedule.

Special Conditions means the special conditions specified in the Schedule, if any.

Successful Transition occurs upon the transfer of a Regular Client to the Franchise Business either:

- (a) from another franchise business; or
- (b) from the Franchisee to a Purchaser Franchisee; or
- (c) as a result of a canvassing promotion (being door knocking or making telephone calls to the public) undertaken by the Franchisor.

A Successful Transition will be deemed to occur unless:

- (i) the Franchisor has received from the Purchaser Franchisee within 45 days from the date of transfer, a written list setting out the Clients who do not meet the requirements for a Regular Client; and/or
- (ii) the Client cancels the service within 45 days of the date of transfer and does not specify dissatisfaction with the Purchaser Franchisee as the reason for cancellation.

Taxes means all present and future taxes, charges, imposts, duties, levies of any kind whatsoever (including, for the avoidance of doubt, stamp duty, franking deficit tax, fringe benefits tax, income tax, capital gains tax and corporation tax), whether levied by deduction, withholding or otherwise, or any amount payable on account or as security for any of the foregoing, payable at the instance of or imposed by any Tax Authority, together with any penalties, additions, fines, surcharges or interest relating thereto and **Tax, Taxation** and cognate expressions shall be construed accordingly.

Tax Authority means any government, state or municipality or any local, state, federal or other fiscal, revenue, customs or excise authority, body or official or any central bank, monetary agency or European Union institution competent to impose, administer, levy, assess or collect Tax in the United Kingdom, Australia or elsewhere (including the ATO).

Technology Fee means the fee specified in item 27 of the schedule payable monthly by the Franchisee to the Franchisor and forwarded by the Franchisor to the National Franchisor (as specified in item 27 of the Schedule), to be used to develop and pay for software to be used by the Franchisee to run their business.

Territory means the area defined in item 3 of the Schedule.

Term has the meaning defined in Clause 2.7.

Trade Mark means any trade mark set out in item 22 of the Schedule and any other trade marks used in the Franchise Business.

Week means seven days commencing on Monday and ending on the following Sunday.

IT IS AGREED:

2. Terms and Conditions

2.1 In consideration of the payment by the Franchisee of the Initial Franchise Fee and the Initial Warranty Fee, the National Franchisor and the Franchisor grant to the Franchisee the right, and the Franchisee accepts the obligation, to operate the Franchise Business within the Territory in accordance with this Agreement and the Manuals.

2.1 A If the consideration paid by the Franchisee is greater than the Initial Franchise Fee in this Agreement or the purchase price in the sale of business agreement, whichever is applicable, the Franchisee will be entitled to a refund of the amount in excess of the Initial Franchise Fee or the purchase price upon notifying the National

Franchisor who will in turn inform the Franchisor. Upon notification, the Franchisor will be required to provide the Franchisee with a refund within seven days.

Disclosure Document, Code and Information Statement

- 2.2 The National Franchisor and the Franchisor confirm that at least 14 days prior to the Execution Date, prior to the Franchisee agreeing to enter into the Agreement, or prior to the Franchisee making a non-refundable payment to the National Franchisor and the Franchisor or an associate of the National Franchisor and the Franchisor in connection with the Agreement, the Franchisee has been provided with the Disclosure Document, the Agreement and a copy of the Code, in order to provide the Franchisee with materially relevant information to assist the Franchisee to make a reasonably informed decision regarding the Franchise Business.
- 2.3 The Franchisee has provided the signed acknowledgement in Annexure A to acknowledge and confirm that:
- (a) the Franchisee has received, read and had a reasonable opportunity to understand the Disclosure Document and the Code; and
 - (b) the Franchisee has been given advice about the Agreement or the Franchise Business by an independent legal adviser, an independent business advisor or an independent accountant; or
 - (c) if the Franchisee has not acknowledged and confirmed the matters set out in Clause 2.3(b), that the National Franchisor and the Franchisor have told the Franchisee that the advice set out in Clause 2.3(b) should be sought, but the Franchisee has decided not to seek it.
- 2.4 The Franchisee acknowledges that it was provided with an Information Statement by the National Franchisor and the Franchisor as soon as practicable after the Franchisee formally applied or expressed an interest in acquiring the Franchise Business.
- 2.5 The Parties agree to comply in all respects with the Code.

Franchisee Acknowledgements

- 2.5A The Franchisee acknowledges that any statement or information provided to it by the Franchisor, Divisional Franchisor or National Franchisor regarding financial projections or other financial or taxation matters relating to the Franchise Business or Franchise System (**Information**) is merely the opinion of the Franchisor, Divisional Franchisor or National Franchisor based on its respective business experience.
- 2.5B The Franchisee acknowledges that:
- (a) any Information provided to it by the Franchisor, Divisional Franchisor or National Franchisor is only intended as a guide to the Franchisee and should not be relied upon;
 - (b) the Franchisor, Divisional Franchisor or National Franchisor have no financial or taxation training or expertise and are not qualified to advise in this regard;
 - (c) the Franchisor, Divisional Franchisor or National Franchisor have strongly recommended that the Franchisee seek independent financial and taxation advice in relation to the Franchise Business or Franchise System;
 - (d) the Franchisee has made its own judgement as to the commercial viability of the Franchise Business and Franchise System; and

- (e) the Franchisor, Divisional Franchisor and National Franchisor make no express or implied claims, promises, warranties or guarantees about the accuracy, currency or adequacy of any Information or representation regarding financial projections or other financial or taxation matters, relating to the Franchise Business or Franchise System.

Transfer or Assignment

- 2.6 In addition to the Franchisee's rights pursuant to Clause 8, the Franchisee may make a written request to the National Franchisor, the Franchisor and the Divisional Franchisor, requesting the National Franchisor, the Franchisor and the Divisional Franchisor consent to the Franchisee transferring the Agreement to another person or entity (**Request to Transfer**).
- 2.6A A Request to Transfer must be accompanied by all information that the National Franchisor, the Franchisor and the Divisional Franchisor reasonably require and expect to be given to make an informed decision about whether or not they consent to the transfer of the Agreement and therefore grant the Request to Transfer.
- 2.6B If the National Franchisor, the Franchisor and/or the Divisional Franchisor require further information, in addition to the information provided to them pursuant to Clause 2.6A, to make an informed decision about the Request to Transfer, the National Franchisor, the Franchisor and/or the Divisional Franchisor may make a written request for the Franchisee to provide specified information relevant to their decision and the Franchisee must provide the National Franchisor, the Franchisor and/or the Divisional Franchisor with the additional information requested within 14 days of the written request.
- 2.6C The National Franchisor, the Franchisor and/or the Divisional Franchisor shall notify the Franchisee of their decision in relation to the Request to Transfer, which shall not be unreasonably withheld, within 42 days of the Request to Transfer or the date that the information is provided to the National Franchisor, the Franchisor and/or the Divisional Franchisor pursuant to Clauses 2.6A or 2.6B, whichever is later (**Decision**). The Decision shall specify whether or not the National Franchisor, the Franchisor and/ the Divisional Franchisor consent to the Request to Transfer and if so, whether the National Franchisor, the Franchisor and/or the Divisional Franchisor's consent is subject to any conditions being satisfied and if not, why their consent was withheld.
- 2.6D The National Franchisor, the Franchisor and/or the Divisional Franchisor shall not consent to the Request to Transfer in circumstances including, but not limited to:
 - (a) if the proposed transferee is unlikely to be able to meet the financial obligations that the proposed transferee would have under the Agreement;
 - (b) the proposed transferee does not meet a reasonable requirement of the Agreement for the transfer of the Agreement;
 - (c) the proposed transferee does not meet the National Franchisor, the Franchisor and/or Divisional Franchisor's selection criteria;
 - (d) the proposed transferee does not agree, in writing, to comply with the obligations of the Franchisee under the Agreement;
 - (e) the Franchisee has not paid or made reasonable provision to pay an amount owing to the National Franchisor, the Franchisor and/or the Divisional Franchisor (and/or their related companies);
 - (f) the Franchisee has not remedied a breach of the Agreement; or
 - (g) the National Franchisor, the Franchisor and/or the Divisional Franchisor has not received from the proposed transferee, a written statement that the transferee has received, read and had a reasonable opportunity to understand the disclosure document and the Code.

2.6E The National Franchisor, the Franchisor and/or the Divisional Franchisor may revoke their consent to the Request to Transfer within 14 days of the Decision, if any of the circumstances in Clause 2.6D are no longer met, or otherwise in their reasonable discretion.

Term of Agreement

2.7 This Agreement will commence on the Commencement Date and continue for a period of 20 years unless otherwise terminated in accordance with Clause 12 (**Term**).

Option to Renew the Agreement

2.8 On the expiry of this Agreement, and subject to Clauses 2.9, 2.9A, and 2.9B the Franchisee shall have an option to renew the Agreement for a further term of 20 years by entering into a new Franchise Agreement (**Option to Renew**). The new Franchise Agreement will contain a clause similar to this clause 2.8.

2.9 No more than 12 months and no less than nine months before the end of the Term, the Franchisee must provide the National Franchisor and the Franchisor with written notice of whether or not it intends to exercise the Option to Renew by entering into a new Franchise Agreement for a further term of 20 years for no consideration (**Notice**).

2.9A At least six months before the end of the Term, irrespective of whether the Franchisee has provided the Notice or not, the National Franchisor and the Franchisor must notify the Franchisee of their decision to renew or not to renew the Agreement by entering into a new Franchise Agreement.

2.9B The National Franchisor and the Franchisor's decision to grant the Option to Renew and to enter into a new Franchise Agreement is conditional upon the Franchisee:

- (a) not being in breach of this Agreement at the time of providing the Notice or between the time the Notice is given and the new Franchise Agreement is executed;
- (b) having paid to the National Franchisor, the Franchisor and the Divisional Franchisor (and/or their related companies) all fees and charges due and payable pursuant to this Agreement, and any other agreements the operation of which is affected by this Agreement.

2.10 Upon the National Franchisor and the Franchisor receiving the Notice, or notifying the Franchisee of their decision to renew or not renew the Agreement, pursuant to Clause 2.9B, the National Franchisor and the Franchisor will provide to the Franchisee:

- (a) a new Franchise Agreement for execution. The Franchisee will not be required to pay a further initial franchise fee; and
- (b) such other documentation as may be required pursuant to the Code, the Law, or the National Franchisor's procedures, as amended from time to time.

2.11 Upon execution of the new Franchise Agreement and the payment of any statutory or other fees as may be required by Law, the National Franchisor and the Franchisor will grant the Franchise Business to the Franchisee for a further period of 20 years commencing from the date of execution of the new Franchise Agreement.

- 2.12 If the Franchisee fails to provide the Notice set out in Clause 2.9 and the Franchisor and the National Franchisor do not notify the Franchisee in accordance with Clause 2.9A, but the Franchisee continues to operate the Franchise Business after the Term, then for all purposes the Parties agree that the Term of this Agreement will be extended for such time as the Franchisor and the National Franchisor require to comply with the notice requirements set out in Clause 2.9A (**Term Extension**). During the Term Extension the Franchisee will pay the Monthly Franchise Fees and any other fees or amounts payable under this Agreement at the standard rate specified in the then current Franchise Agreement.

Termination of the Franchisor's Franchise Agreement

- 2.13 If, for any reason the Franchisor's Franchise Agreement is terminated, then:
- (a) all rights and obligations of the Franchisor pursuant to this Agreement will immediately vest in the Divisional Franchisor (if applicable) or the National Franchisor with respect to the Franchisee; and
 - (b) from the date of such termination the Franchisee will cease to have any claim against the Franchisor at all, except for any claim which may have arisen prior to such termination.
- 2.14 If the National Franchisor transfers the Franchisor's Business in the Region to another party (**New Franchisor**) the National Franchisor, the Divisional Franchisor (if applicable) and the New Franchisor may require the Franchisee to execute a new franchise agreement with the New Franchisor.

Change of Franchisor

- 2.15 The Franchisee may, by request in writing to the National Franchisor to:
- (a) transfer to another franchisor's region (this will involve the Franchisee taking a different territory); or
 - (b) transfer to another franchisor's region in another division (this may involve the Franchisee taking a different territory).
- 2.16 The National Franchisor will consent to the transfer provided:
- (a) the Franchisee is not in breach of the Agreement (including but not limited to compliance with respect to payment of the Monthly Franchise Fees and Other Amounts);
 - (b) the Franchisee has not received more than three percent complaints that were justified in the reasonable opinion of the National Franchisor from Clients in relation to Client Leads in the past six months from the date of the request; and
 - (c) the other franchisor consents to the transfer.
- 2.17 If the transfer referred to in Clause 2.15 is to proceed:
- (a) all costs associated with the transfer must be paid by the Franchisee on or before the transfer;
 - (b) the Franchisee may not make any Pay for Work Guarantee Claims to the Franchisor; and
 - (c) at the time of transfer, (if requested by the National Franchisor and the Franchisor) the Franchisee must execute a new franchise agreement, in a form approved by the National Franchisor, with the other franchisor (or execute an amendment to the Agreement to reflect the transfer).
- 2.18 If the transfer referred to in Clause 2.15(b) is to proceed within 6 months from execution of this Agreement, the Franchisor will be required to pay the other franchisor 30% of the Initial Franchisor Fee if (or 30% of the Franchisor's resale commission) to a maximum of \$2,500.00.

3. Intellectual Property

Ownership of Intellectual Property

- 3.1 The Trade Marks are owned by Placitum Pty Ltd, which has entered into an indefinite license agreement with the National Franchisor containing no limitations affecting the National Franchisor's right to use, or to give others the right to use, the Trade Marks.
- 3.1A The National Franchisor hereby grants the Franchisee the right to use the Intellectual Property including the Business Name, the Domain Names and the Trade Marks for the purpose of the Franchise Business for the Term.
- 3.1B Subject to Clause 3.3:
- (a) the Franchisee agrees that if it has developed or develops anything in the future in relation to the Franchise Business including in relation to the Franchise System) in which intellectual property rights subsist:
 - (i) it hereby assigns those intellectual property rights to the National franchisor or will sign a separate assignment document transferring those rights to the National Franchisor; and
 - (ii) it will obtain the National Franchisor's written permission prior to using such intellectual rights in the Franchise Business.
 - (b) The Franchisee agrees that if it wishes to engage a third party to develop anything in relation to the Franchise Business in which intellectual property rights will subsist which will be owned by that third party, it will:
 - (i) procure a written assignment to the intellectual property from that third party to the National Franchisor at the request of and in a form approved by the National Franchisor; and
 - (ii) obtain the National Franchisor's written permission prior to using such intellectual property rights in the franchise Business.

Franchisee's acknowledgment and undertaking

- 3.2 The Franchisee agrees:
- (a) to use the Intellectual Property solely in respect of the conduct of the Franchise Business and as laid down by the National Franchisor and/or the Divisional Franchisor from time to time; and
 - (b) all rights, goodwill and/or reputation which develop as a result of or in connection with the exercise by the Franchisee of its rights under this Agreement or the operation of the Franchise Business will inure to the benefit of the National Franchisor and/or Plactium Pty Ltd.
- 3.3 The Franchisee represents and undertakes that during the Term or after the termination or expiry of this Agreement, it will not at any time:
- (a) challenge the National Franchisor's or Placitum Pty Ltd's ownership of or assert any right to or over the Intellectual Property including the Manuals;
 - (b) make any copy of the Intellectual Property including the Manuals unless reasonably required for the purpose of operating the Franchise Business under the Agreement and with the prior written approval of the Franchisor;
 - (c) distribute any of the Intellectual Property, including the Manuals or other material provided by the National Franchisor or the Divisional Franchisor to any person not authorised in writing by the National Franchisor and the Franchisor;
 - (d) make (unless the National Franchisor and the Franchisor has first given their consent in writing) any application in the name of or for the Franchisee for the registration of any company name, business name, domain name, trade mark or service mark comprising or including the word JIM'S or any word

- this is substantially identical with or deceptively or confusingly similar to the word JIM'S or any of the Intellectual Property;
- (e) use the word JIM'S nor any word which is substantially identical with or deceptively or confusingly similar to the word JIM'S in the course of trade without the express permission of the National Franchisor and the Franchisor nor take appropriate represent or pass off the Intellectual Property as its own; or
 - (f) use any intellectual property in the Franchise Business which is not owned by the National Franchisor or Placitum Pty Ltd without their written permission, such written permission is to specify:
 - (i) the precise nature of the intellectual property;
 - (ii) the owner of the intellectual property;
 - (iii) any other details regarding the use of the intellectual property such as the duration and manner in which it will be used.

Infringement of Intellectual Property

- 3.4 The Franchisee must not aid or assist any other person in any manner to do any of the acts in Clauses 3.3(a) to 3.3(f), above nor anything which would infringe, harm or contest the Intellectual Property.
- 3.4A The Franchisee agrees to:
- (a) assist the National Franchisor in the defence, protection of and enforcement of the Intellectual Property; and
 - (b) notify the National Franchisor and the Franchisor in writing immediately upon becoming aware of any infringements or imitations by third parties of the Intellectual Property.
- 3.5 The National Franchisor and/or Placitum Pty Ltd, in their absolute discretion but subject to clause 3.6, may commence, prosecute or defend any claim or suits (**Litigation**) in their own names or join the Franchisee as a party to the Litigation to protect the Intellectual Property.
- 3.6 The National Franchisor and/or Placitum Pty Ltd have the exclusive right to determine whether or not any action will be taken on account of any such infringement or imitation provided that they will not unreasonably refuse to initiate action where the infringement or imitation is having a detrimental effect on the Franchise System or the Intellectual Property.
- 3.7 With respect to all Litigation relating to the Intellectual Property in which the Franchisee is joined as a party, the National Franchisor will pay all costs (including the Franchisee's legal costs on a solicitor and own client scale) and have the right to instruct solicitors and/or counsel of its choosing and direct the handling of the Litigation and any settlement thereof and except as otherwise agreed, the National Franchisor will be entitled to receive and retain all amounts awarded as damages or profits in connection with the Litigation.

Use of Trade Mark

- 3.8 The Franchisee must use the Intellectual Property only in the manner authorised by the National Franchisor and/or Placitum Pty Ltd in writing from time to time including as set out in the Manuals.
- 3.9 In accordance with this Clause, the Franchisee must, as directed in writing from time to time by the National Franchisor and/or Placitum Pty Ltd, ensure that the Intellectual Property:
- (a) is used only in connection with the Franchise Business;

- (b) is used in association with all advertising and promotional activities of the Franchise Business;
 - (c) appears on all trailers, vehicles, uniforms, stationery and advertising material used in the conduct of the Franchise Business; and
 - (d) is presented and displayed in a form, manner and standard of presentation as approved by the National Franchisor and/or Placitum Pty Ltd.
- 3.10 The Franchisee indemnifies and holds the National Franchisor and the Franchisor harmless from any claim for damages arising from a contravention or breach of Clauses 3.8 and 3.9.
- 3.11 The Franchisee undertakes to provide such assistance (not including financial assistance) and do all things necessary and sign all documents as may be reasonably required to enable the National Franchisor and the Franchisor to protest, defend or enforce the Intellectual Property or to initiate or defend any claim for damages arising from the use of the Intellectual Property.

Protection of Intellectual Property

- 3.12 During the Term or after the termination or expiry of this Agreement, the Franchisee must not do or permit to be done anything which may detract from the National Franchisor and the Franchisor reputation and goodwill attaching to or in the Intellectual Property or which is or is likely to be misleading, deceptive or otherwise cause confusion.

Changes to Intellectual Property

- 3.13 The Franchisee understands and agrees that the National Franchisor is constantly developing and working to improve the Franchise System and that the National Franchisor reserves the right to make changes from time to time to the Franchise System, Franchise Image and the Intellectual Property to be used by the Franchisee and any such changes must be implemented at the cost of the Franchisee.
- 3.14 Where the National Franchisor has changed or substituted different Intellectual Property for use in identifying the Franchise System, the National Franchisor will provide written notice to the Divisional Franchisor, Franchisor and the Franchisee of that change or substitution advising the Franchisee (at its own cost) to do all things necessary to:
- (a) replace the old Intellectual Property with the new Intellectual Property; and
 - (b) cease using any old Intellectual Property including that affixed to trailers, uniforms, stationery and advertising material and replace those with the new Intellectual Property, within 28 days of the date of the written notice or such time as reasonably required by the National Franchisor and, in the event the Franchisee fails to do so, Clause 12.19(g) will apply as to the relief that will be sought against it by the National Franchisor and the Franchisor.

Covenant to Maintain Confidentiality

- 3.15 The Franchisee acknowledges that the following items are valuable and confidential property of the National Franchisor:
- (a) this Agreement;
 - (b) the Intellectual Property;
 - (c) all other systems used in the operation of Franchise Business;

- (d) methods, specifications and procedures used in the operation of Franchise Business;
 - (e) audio visual recordings and computer software;
 - (f) designs;
 - (g) formulas, methods and trade secrets;
 - (h) advertising and promotional material;
 - (i) Client or customer lists;
 - (j) Client Leads or other client inquiries;
 - (k) all other information regarding the National Franchisor's method for business and financial management; and
 - (l) all other information regarding the National Franchisor, the Franchisor, franchise businesses, the Franchise System and such information provided to the Franchisee by the National Franchisor and the Franchisor,
- (together, the **Confidential Property**)

- 3.16 (a) The Franchisee acknowledges and agrees that any information provided by the National Franchisor and the Franchisor to the Franchisee is confidential, disclosure of which would cause the National Franchisor loss unless:
- (i) the National franchisor gives the Franchisee written notice that the information is not confidential; or
 - (ii) the information is in the public domain for any reason other than disclosure by the Franchisee.
- (b) Without limiting the generality of clause 3.16(a) above, the following is confidential information:
- (i) the terms of this Agreement, the Manuals and any other manuals prepared by anyone in the Franchise System;
 - (ii) details of Client Leads or other client inquiries; and
 - (iii) details of any Clients.

3.17 The Franchisee:

- (a) acknowledges that it is vicariously liable for the actions of its employees and will be responsible in the event of any breach of Clause 3.15 and 3.16 by its employees; and
- (b) covenants and declares that Clauses 3.15 to 3.17 inclusive will survive any termination or discharge of this Agreement.

4. Obligations of Franchisor

4.1 The Franchisor will permit the Franchisee to conduct the Franchise Business in accordance with the Manuals and subject to the terms of this Agreement for the Term.

Manuals

4.2 The Franchisor will make available on loan to the Franchisee for the currency of this Agreement a copy of the Manuals.

4.3 The National Franchisor, as the case may be may by written notice to the Franchisees amend the Manuals from time to time expressly reserve the right to vary, amend or make additions to the Manuals.

- 4.4 The National Franchisor, as the case may be will revoke an amendment pursuant to Clause 4.3 (with the exception of IP related amendment) where the majority of Franchisees (or, in the case of an amendment which applies only to the Division, the majority of Franchisees in the Division) request that revocation by notice in writing to the National Franchisor within 30 days of receiving notice of the amendment.

Advice

- 4.5 The Franchisor (at its own expense) will provide the Franchisee with advice and assistance which the Franchisor considers reasonable in respect of the operation and management of the Franchise Business and will telephone the Franchisee to offer this advice and assistance in accordance with the requirements set out in then Manual.
- 4.6 The Franchisor or a qualified substitute must be reasonably available by telephone between 9 am to 5 pm each day (except weekends and public holidays) and when unavailable, the Franchisor must return telephone calls within 24 hours (excluding weekends and public holidays) of receipt of the Franchisee's call.

Training

- 4.7 The National Franchisor will provide Initial Training to the Franchisee at the cost set out in item 20 of the Schedule (**Initial Training Fee**).
- 4.8 It is compulsory for the Franchisee to attend and complete, to the satisfaction of the National Franchisor at its sole and absolute discretion, the Initial Training prior to the Execution Date.
- 4.8A In addition to Clause 4.8 above, the National Franchisor may (at its sole and absolute discretion) request that the Franchisee re-attend and re-complete any form of training required by the Agreement or the Manuals, including the Initial Training, at any time during the Term.
- 4.9 The Initial Training Fee is to be paid by the Franchisee to the Franchisor or to the Divisional Franchisor (as applicable) who will forward the payment to the National Franchisor.

Meetings & Proactive Contact

- 4.10 The Franchisor must hold, at no cost to the Franchisee, meetings, in accordance with the requirements set out in the Manual (**Meeting/s**).
- 4.11 The Franchisor must attempt to contact the Franchisee using the software prescribed by the National Franchisor at least monthly (weekly in the first two months), actively following up if the Franchisee fails to respond.
- 4.12 The Franchisor must contact prospective franchisees using the software prescribed by National Franchisor.
- 4.13 This clause is intentionally left blank.

Materials Necessary for Franchise Business

- 4.14 The Franchisee may purchase, lease or hire the Materials directly from any supplier subject to that supplier providing the Materials in a format approved by the National Franchisor.
- 4.15 The Franchisee may also purchase, lease or hire the Materials from the Franchisor in a format approved by the National Franchisor and at a price set by the Franchisor. However, the price set by the Franchisor must be less than the price the Franchisee would pay elsewhere for the Materials.
- 4.16 The Franchisee will be liable for all charges and fees incurred in connection with the supply of the Materials.

Plant and Equipment

- 4.17 The Franchisee must:
- (a) purchase, lease or hire Plant and Equipment (or items of equivalent standard and quality) specified in the Manuals within seven days of the Execution Date or prior to the Commencement Date. The Divisional Franchisor will determine any dispute as to standard or quality of the Plant and Equipment acting reasonably and having regard to the fact that the Plant and Equipment must be in good working order;
 - (b) purchase, lease or hire a mobile telephone equipped with SMS function and voicemail message service and serviced by the carrier approved by the National Franchisor from time to time and such other communications equipment as specified in writing by the National Franchisor and the Franchisor from time to time (**Communications Equipment**);
 - (c) maintain and repair, at its own expense, the Plant and Equipment and Communications Equipment in a timely and workmanlike manner ensuring it is in good working order at all times;
 - (d) make itself available to be contacted through the Communications Equipment at all times during which the Franchise Business operates; and
 - (e) immediately advise the Franchisor if any of the Plant and Equipment or Communications Equipment is not in working order and provide an estimate as to when the Plant and Equipment or Communications Equipment will be in working order.
- 4.17A Where the Franchisee has paid an amount for the Plant and Equipment in excess of the fair market price (the fair market price being the amount specified in the Manuals) the Franchisee is entitled to a refund from the Franchisor of the excess paid within seven days of notifying the National Franchisor.

Advertising

- 4.18 The Divisional Franchisor and/or Franchisor must apply the Monthly Advertising Fee and Advertising Fund for the purpose of advertising and promoting the Services, the Franchise Business and other franchise businesses (and for the mutual benefit of the Franchise Business and such other franchise businesses) in the Region or Division associated with the National Franchisor as the Divisional Franchisor and/or Franchisor may in its absolute discretion decide. The Divisional Franchisor and/or Franchisor may deduct up to five percent from the Advertising Fund to pay the reasonable costs of administering the Advertising Fund and may also deduct the reasonable costs of auditing the Advertising Fund.
- 4.19 The Divisional Franchisor and/or Franchisor agrees to provide audited financial statements to the Franchisee, the Divisional Franchisor and the National Franchisor relating to the Advertising Fund for the preceding financial year within four months of the end of that financial year in accordance with the Code.

Register of Franchisees

- 4.20 The Franchisor must maintain a register of the names and contact telephone numbers of all franchisees providing the Services in the Region at all times and provide a copy of or access to it to the Franchisee upon its reasonable request.

Client Register

- 4.21 The Franchisee must maintain a register of the names, addresses and contact telephone numbers of Clients and Client Leads of the Franchisee including Clients obtained through their own efforts and the date on which the Client booked a Service or a subsequent Service (**Client Register**), subject to clause 4.23 and clause 17, the Franchisee must provide the Client Register to the National Franchisor and the Franchisor upon their reasonable request.
- 4.22 Responsibility for the provision of Services to Clients will be allocated to the Franchisee with an associated Lead Fee except where:
- (a) the Franchisee has requested the relocation of responsibility for the provision of those Services pursuant to Clause 4.24;
 - (b) the Franchisee has advised the Franchisor it is unable to perform the Services on the day requested by the Client;
 - (c) the Client's details appear on the Client Lists of more than one franchisee in the Region, in which case the Client will be allocated to the franchisee providing Services in the Region who was the most recent service provider; and
 - (d) the Client requests that another franchisee provide the Services.
- 4.23 The Franchisor must not encourage any franchisee providing the Services in the Region to solicit work from any Client whose details have been provided to the Franchisor by the Franchisee.

Relocation of Responsibility for the Provision of Services

- 4.24 The Franchisee (or Original Franchisee) may request in writing that the Franchisor temporarily relocate the responsibility for the provision of Services to its Clients to another franchisee in the Region or the Division and, in the event of such a request, the Franchisor must use its best endeavours to find a franchisee providing the Services in the Region or the Division that will accept responsibility for the temporary provision of Services to the Clients (**Temporary Franchisee**).
- 4.25 Where the Franchisee / Original Franchisee has made a written request pursuant to Clause 4.24 and subsequently requests in writing that the Franchisor return the Clients, the Franchisor must use its reasonable endeavours to return those Clients to the Franchisee/ Original Franchisee as soon as possible. In the event the Franchisee is the Temporary Franchisee, it must return the Clients to the Original Franchisee as soon as possible.
- 4.26 The Franchisor is not responsible for the loss of any Clients of the Franchisee during the temporary relocation requested pursuant to Clause 4.24.

- 4.27 With the exception of the Monthly Base Fee and the Monthly Advertising Fee (which will remain the sole responsibility at all times of the Franchisee), the payment of all fees under this Agreement relating to the provision of Services during any relocation will be the sole liability of the franchisee providing that Service.

Indemnity

- 4.28 The Franchisor agrees to indemnify and hold harmless the Franchisee from and against any loss resulting from negligence of the Franchisor.

Services

- 4.29 The Franchisor must comply with all applicable Laws and will keep current all necessary permits and licenses required for the operation of the Regional Business.
- 4.30 The Franchisor must perform all services in the Regional Business in a professional manner and:
- (a) conduct itself with courtesy in its dealings with Clients, the Franchisee and its employees and members of the public;
 - (b) be of good character; and
 - (c) promptly attend upon any franchisee who lodges a complaint about the Franchisor's performance of the operation of the Regional Franchise.
- 4.31 The Franchisor must not:
- (a) make any representations or provide any warranties that are of a deceptive or misleading nature; and
 - (b) enter into any contract, undertake any employment or do any other thing which interferes with, prevents or delays the due performance of the Franchisor's obligations under this Agreement during its Term.
- 4.32 If the Franchisor receives notification from a prospective franchisee of its interest in purchasing a franchise business in a New Vacant Territory (the **Expression of Interest**) it must notify (by email and FMS notes, as a minimum) all Interested Franchisees of the Expression of Interest and the purchase price of the New Vacant Territory (excluding the cost of equipment) (**NVT Purchase Price**).
- 4.33 Following the notification required in Clause 4.32, the Franchisor must allow:
- (a) all Interested Franchisees a reasonable time to offer their franchise business for sale to the prospective franchisee, at a price equal to the purchase price of the New Vacant Territory (excluding the cost of equipment); and
 - (b) the prospective franchisee to nominate which Interested Franchisee's franchise business it wishes to purchase (if any) or whether it wishes to purchase the New Vacant Territory.
- 4.34 If the Franchisor fails to notify the Interested Franchisees of the Expression of Interest as required in Clause 4.32, any Interested Franchisee may transfer its franchise business (as defined in its franchise agreement) to the prospective franchisee for a price equivalent to the NVT Purchase Price and this transfer price will be paid by the Franchisor as follows:
- (a) 80 percent to the Interested Franchisee who sold the franchise business; and
 - (b) 20 percent to the National Franchisor.

- 4.35 The effect of Clauses 4.32 to 4.34 is that the Interested Franchisee's franchise business (as defined in its franchise agreement) will transfer to the prospective franchisee at no cost to the prospective franchisee.

Example:

John Smith (in the Relevant Area) and Fred Jones (outside the Relevant Area) advised their Franchisor that their businesses were on the market, however the Franchisor went on to sell a New Vacant Territory for \$20,000 without giving either a chance to match the offer.

1. *John Smith finds out and transfers his whole business to the new franchisee. John Smith must be paid \$16,000 by the Franchisor. The new franchisee will pay nil consideration for John Smith's business.*
2. *Although Fred Jones had his business on the market and was not informed either, his territory is not in the Relevant Area so he is unable to transfer his business to the new franchisee.*

5. Client Leads

- 5.1 Subject to this Clause, the Franchisor will direct the Customer Contact Centre to refer Client Leads from Clients in the Territory to the Franchisee where the Franchisee has previously provided notice of its ability to service the Client Leads within the time frame specified by Clients.
- 5.2 Notwithstanding anything contained in Clause 5.1, the Franchisor and/or the National Franchisor may cease referring Client Leads to the Franchisee where the Franchisee is in breach of this Agreement, such breach having been notified to the Franchisee in writing and not remedied by the Franchisee within a reasonable period of time.
- 5.3 Notwithstanding anything contained in Clause 5.1, the Franchisor and/or the National Franchisor may direct the Customer Contact Centre to permanently cease referring Client Leads to the Franchisee where the Franchisee has received a warning notice for customer service in accordance with the Manuals and in the following 6 months receives more than 2 complaints or poor surveys that were justified in the reasonable opinion of the National Franchisor.
- 5.4 If the Customer Contact Centre has allocated a Client Lead in the Territory to another franchisee in breach of Clause 5.1 (**Allocation**), the Franchisor must (within one month of receiving written notice of the Allocation from the Franchisee) direct the Customer Contact Centre to provide at least three Client Leads outside the Territory to the Franchisee (subject to the Franchisee having made itself available to take Client Leads from outside the Territory on at least 14 days during that month).
- 5.5 The right of first refusal in respect of Client Leads will terminate if the Franchisee declines to take new Client Leads from the Territory for 40 days or more in any 60 day period, unless this is for clearly temporary reasons such as illness, accident or holiday. The Franchisor must give 28 days' written notice of such termination, and will withdraw it if the Franchisee offers for sale the rights to no less than half its Territory for no more than 25 percent of the Initial Franchise Fee as currently advertised for a new franchise business in the Region.

6. Pay for Work Guarantee

Pay for Work Guarantee Claim

- 6.1 Subject to Clause 6.3, the Franchisee is entitled to make a Claim to bring its Earnings for a Claim Week to an amount equal to the Pay for Work Guarantee Amount if:
- (a) the Claim is only for Allowable Services provided up to the Free Services Maximum;

- (b) it submits its Claim to the Franchisor in writing, together with all substantiating information as required in this Clause 6.1;
- (c) it is fully compliant with this Agreement and over the past six months has serviced at least 80 percent of Client Leads and Clients to the standard for the Division;
- (d) it is using Jim's Jobs to record all jobs and earnings to the Franchisor;
- (e) it has informed the Franchisor of its Earnings in the Claim Week within three working days of the end of the Claim Week;
- (f) during the Claim Week it was available to work full time at least six days and did not decline any Client Leads provided to it on at least four of those days within the distance set out in item 16 of the Schedule from any point within the Territory;
- (g) the amount claimed does not bring its average income for the previous four weeks, including the Claim Week, to or above the Pay for Work Guarantee Amount; and
- (h) it submits with the Claim a list of clients never previously serviced by the Franchisee (with their names, addresses and telephone numbers) to whom it has provided free promotional services within 14 days of the Claim Week;

Example:

If the Pay for Work Guarantee Amount is \$1,000 per week; and

1. *the Franchisee earned \$800 in the Claim Week and the same on average in each of the three previous weeks, the Franchisee may claim up to \$200 to bring its Claim Week's income to \$1,000.*
2. *the Franchisee earned \$800 in the Claim Week and \$1050 on average in the three previous weeks, the Franchisee may claim only up to \$50 (since this brings the average of the past four weeks to \$1,000).*

Assessment, payment and contact

6.2 The Franchisor must:

- (a) assess, approve and pay (in accordance with the process specified in Clause 6.2(c)) a Claim made in accordance with Clause 6.1 within three working days of the Franchisee submitting its Claim;
- (b) once approved, credit the amount of the Claim against fees or any other amount the Franchisee owes, and pay the balance (if any) to the Franchisee by cheque or direct bank deposit; and
- (c) after the Franchisee reports its Earnings are less than the Pay for Work Guarantee Amount, make direct contact (telephone or face to face contact) with the Franchisee at least weekly for two Weeks and provide support and advice on increasing its Earnings.

Termination of the Pay for Work Guarantee

6.3 The Pay for Work Guarantee may be permanently terminated by the Franchisor in the following circumstances:

- (a) the Franchisee has refused to accept Client Leads within that distance from the Territory set out in item 16 of the Schedule on at least four days in a Week (excluding in the case of illness or injury), for eight or more weeks;
- (b) the Territory has been changed or amended at the request of the Franchisee;
- (c) the Franchisee has made a misleading or fraudulent Claim, unless made inadvertently, including a misleading statement as to Clients serviced;
- (d) the Franchisee has received more than the number of Client Leads specified in item 24 of the Schedule, or has been a Franchisee for at least the period specified in item 24 of the Schedule;
- (e) the Franchisee has been directed by the Franchisor or the National Franchisor to attend customer service retraining for repeated problems with customer service; or

- (f) for Divisions which have Regular Clients, and subject to Clause 6.4, if a Franchisee has enough Regular Clients which together would earn it 1.5 times the Pay for Work Guarantee Amount or more for a single service.

Example:

If there are 30 Regular Clients paying on average \$50 per service, together they pay \$1,500.00 for a single service. This would terminate the Weekly Pay for Work Guarantee where the Pay for Work Guarantee Amount was \$1000 per week.

- 6.4 Clause 6.3(f) applies when enough Regular Clients have been confirmed in writing by the Franchisee or have made a Successful Transition from another franchisee providing the Services in the Region or the Division.

7. Obligations of the Franchisee

Conduct the Franchise Business

- 7.1 The Franchisee must conduct the Franchise Business in accordance with this Agreement and the Manuals for the duration of the Term and the Franchisee agrees that the terms of the Manuals are binding on it.

Police Check

- 7.1A Prior to the Commencement Date, the Franchisee must provide the Franchisor with a police check (in the form requested by the National Franchisor from time to time) of:

- (a) the Franchisee; or
- (b) if the Franchisee is a corporation, a director, officer, employee, manager or other associate of the Franchisee as requested by the National Franchisor.

(Police Check)

- 7.1B If the Franchisee has lived outside of Australia or New Zealand for any period in the 10 years prior to entering into the Agreement, the Franchisee must, no later than 60 days after the Commencement Date, provide the Franchisor with a police check (from the relevant countries in which the Franchisee resided during that period in the form requested by the National Franchisor from time to time) of:

- (a) the Franchisee; or
- (b) if the Franchisee is a corporation, a director, officer, employee, manager or other associate of the Franchisee as requested by the National Franchisor.

(International Police Check)

- 7.1C The Police Check and International Police Check must be no more than 12 months old as at the date it is provided to the Franchisor.

- 7.1D If the Franchisee fails to comply with clauses 7.1A, 7.1B or 7.1C, the National Franchisor or Franchisor may:

- (a) in accordance with clause 5.2, cease referring Client Leads to the Franchisee; and/or
- (b) issue a Notice of Breach and, if the Franchisee is ultimately terminated pursuant to the Notice of Breach, the Initial Franchise Fee (or the sale price as set out in the Sale of Business Agreement) may not be refunded.

7.1E If the Police Check or International Police Check record any convictions of a serious offence and, in the reasonable opinion of the National Franchisor, the Police Check or International Police Check demonstrates that the Franchisee is not suitable to run a Franchise Business, the National Franchisor may terminate the Agreement.

7.1F If the Franchisee reported any convictions of a serious offence to the Franchisor prior to entering into the Agreement but the Franchisor failed to pass that information on to the National Franchisor, then the Agreement will be terminated and the Franchisor must refund all monies paid by the Franchisee (whether to the Franchisor and/or the National Franchisor and/or to any other entity or person) pursuant to the Agreement.

Restraint of Trade

7.2 The Franchisee acknowledges and agrees that:

- (a) the Client Leads and opportunities for Client work with which it will be presented during the Term are as a result of the goodwill owned by the National Franchisor and/or Placitum Pty Ltd; and
- (b) the provisions of the restraints contained within clauses 7.3 – 7.4 are reasonable in scope and duration and are reasonably necessary to protect the goodwill of the National Franchisor and/or Placitum Pty Ltd.

7.3 The Franchisee must not, directly or indirectly:

- (a) after the expiry of the Term and for the Restraint Period, entice or solicit (or assist another person or entity to entice or solicit) any Client to which it provided Services during the last 12 months of the Term to acquire the Services (or services similar in nature) from the Franchisee or from any other person or entity in which the Franchisee or one of its officers has a direct or indirect interest; and
- (b) both during the Term and for the Restraint Period, commence, engage in, conduct, carry on, have any direct or indirect interest in or be employed or retained in any capacity by, a business or other enterprise (other than a business or enterprise that may be expressly permitted by the National Franchisor and specified in item 25 of the Schedule) which offers the Services (or services similar in nature) and which operates or is located within the Restraint Area.

7.3A For the purposes of clause 7.3:

- (a) Restraint Period means, from the expiration of the Term:
 - (i) 12 months;
 - (ii) 8 months;
 - (iii) 6 months;
 - (iv) 4 months; and
- (b) Restraint Area means:
 - (i) the area being a 100km radius from the Territory;
 - (ii) the area being a 50km radius from the Territory;
 - (iii) the area being a 25km radius from the Territory;
 - (iv) the area being a 10km radius from the Territory; and
 - (v) the area being the Territory.

- 7.3AA Each restraint contained in this Agreement (resulting from any combination of the wording in clauses 7.3 and 7.3A) constitutes a separate and independent provision, severable from the other restraints. If a court of competent jurisdiction finally decides any such restraint to be unenforceable or whole or in part, the enforceability of the remainder of that restraint and any other restraint will not be affected.
- 7.3B Where the Franchisee is an incorporated entity, each and every director of the Franchisee agrees and undertakes to be bound by clause 7.3.
- 7.3C Clause 7.3 will be waived and exempt, provided the Franchisee pays the amount of \$5,000.00 to the Franchisor or National Franchisor within and no later than 45 days after the termination of this Agreement.
- 7.4 The Franchisee agrees and declares that it will not hire or employ or otherwise engage employees of the National Franchisor or the Franchisor or other Jim's franchisees or induce such employees to leave their employment during the Term and for a period of 12 months thereafter.
- 7.5 The Franchisee acknowledges and agrees that:
- (a) clauses 7.2 to 7.4 inclusive will survive the expiration of the Term; and
 - (b) each restraint contained within clauses 7.3 and 7.3A constitutes a separate and independent provision and is severable from the other restraints. Should a Court or other body of competent jurisdiction determine that any such restraint is unenforceable in whole or in part, this shall not affect the enforceability of the balance of the restraints.

Fees

- 7.6 From the Commencement Date and subject to Clause 7.7 to 7.10, the Franchisee agrees to pay to the Franchisor:
- (a) the Monthly Franchise Fees;
 - (b) the Documentation Fee; and
 - (c) the Other Amounts (as applicable).
- 7.7 All fees payable by the Franchisee under this Agreement will be paid by electronic direct debit, unless the Franchisor grants the Franchisee a written exemption, and the Franchisee must complete an authority for direct debit of fees, in the form provided by the National Franchisor and the Franchisor, within seven days of the Execution Date.
- 7.8 If, for any reason, the direct debit authority referred to in Clause 7.7 is revoked, cancelled or otherwise unavailable, then until the direct debit is reinstated, payment of all fees and charges by the Franchisee pursuant to this Agreement must be by cash or bank cheque until the Franchisee has reinstated the electronic direct debit.
- 7.9 If, for any reason, payment of fees and charges pursuant to this Agreement cannot be effected on the due date, the Franchisor may apply an interest charge on the outstanding fees in accordance with the Penalty Interest Rates Act 1983.

- 7.10 At the beginning of each calendar month, the Franchisor will send to the Franchisee or arrange for the National Franchisor to send on its behalf, an account of the Monthly Franchise Fees for the previous month [including but not limited to all Client Leads on which a Lead Fee is payable and the Documentation Fee and Other Amounts (if any)] (**Account**) and the Account must be paid by the Franchisee by the tenth day of that month.
- 7.11 If the Franchisee complies with Clauses 7.6 to 7.10, the Franchisee is entitled to receive the Compliance Discount, unless:
- (a) the Franchisee has been asked to attend Franchisee Retraining as a result of excess complaints and:
 - (i) has failed to attend that Franchisee Retraining; or
 - (ii) has attended the Franchisee Retraining and continues to receive complaints at a level greater than as outlined in the Manuals;
 - (b) the Franchisee's Monthly Franchise Fees are received after the tenth day of the calendar month;
 - (c) the Franchisee is in breach of this Agreement, any other agreement with the National Franchisor (and/or any related entity of it) or the Customer Contact Centre or has failed to pay money due to any Jim's Group franchisor, divisional franchisor or franchisee; or
 - (d) the Franchisee fails to provide a valid email address to the Franchisor.
- 7.12 If the Franchisee believes the Account to be inaccurate, the Franchisee must make any necessary amendments correcting the Account and return these to the Franchisor by the tenth day of that month.
- 7.13 On the tenth day of that month and upon receipt of the Account, the Franchisor may only enforce payment of the Account which the Franchisee claims to be due in accordance with Clause 7.12.
- 7.14 If the Franchisor finds that the Franchisee's amendments to the Account pursuant to Clause 7.12 are not valid, then any balance outstanding pursuant to the Account will fall due and payable immediately and payment will be enforced by the Franchisor by the fifteenth day of the month.
- 7.15 If the Franchisee fails to return the Account by the tenth day of that month in accordance with Clause 7.12, the Account is deemed to be valid for the purpose of calculating fees and the Franchisor will enforce payment of the full Account.
- 7.16 The Franchisee must (where required by Law) pay GST to the Franchisor on all fees, commissions, charges and purchases under this Agreement.
- 7.17 If the Franchisee receives a credit on fees, commission, charges or purchases from the Franchisor, the Franchisor must provide an adjustment note with respect to GST, to the Franchisee.

Engagement of Persons in the Franchise Business

- 7.18 Without limiting the generality of Clause 2.1:
- (a) the Franchisee will not engage or permit a person to provide the Services on their behalf unless:
 - (i) that person has the required licenses, permits, qualifications and references from the relevant statutory body as advised to the Franchisee by the National Franchisor and the Franchisor in writing from time to time;
 - (ii) the Franchisee is satisfied that the person is of good character; and

- (iii) the Franchisee supervises the work performed by that person and is responsible for all Services performed in the Franchise Business;
- (b) the Franchisee will cease to engage or permit any person to provide the Services on their behalf where:
 - (i) the National Franchisor and the Franchisor have advised the Franchisee in writing that they believe the continued engagement or permission to be detrimental to the value or good name of the Franchise Business;
 - (ii) the National Franchisor and the Franchisor have advised the Franchisee in writing that they have received more than one complaint in any three month period regarding that person which is justified in the reasonable opinion of the National Franchisor and the Franchisor; or
 - (iii) that person has been convicted of any criminal offence committed during the period that the person was providing the Services or in the preceding five years.

Meetings

7.19 The Franchisee must attend at least 75 percent of all Meetings in every 12 month period held under Clause 4.10 and 4.11 unless away, ill or otherwise incapacitated.

Services

7.20 The Franchisee may only provide the Services in accordance with this Agreement and the Manuals and in accordance with any written amendment to this Agreement and the Manuals from time to time.

7.21 The Franchisee must comply with all applicable Laws and keep current all necessary registrations, permits and licenses required for the operation of the Franchise Business.

7.22 The Franchisee must perform all Services in the Franchise Business in a professional and workmanlike manner and:

- (a) conduct itself with courtesy in its dealings with Clients, the National Franchisor and the Franchisor and their employees and members of the public;
- (b) be of good character;
- (c) rectify any damage caused to the Client's property or to any other property as a result of the Franchisee's or its employees' performance of the Services whether negligent, faulty or otherwise below standard, at its own expense;
- (d) warranty the work it provides in its performance of the Services in accordance with the warranty terms set out in the Manuals, at its own expense;
- (e) promptly attend upon any Client who lodges a complaint about the Franchisee's performance of the Services and rectify any faulty workmanship or any problem resulting from the use of substandard materials, as directed by the National Franchisor and the Franchisor, at the Franchisee's own expense; and
- (f) if the Franchisee does not rectify any faulty workmanship or any problem resulting from the use of substandard materials to the reasonable satisfaction of the National Franchisor and the Franchisor or the Client requests a different franchisee the National Franchisor and the Franchisor reserve the right to have the faulty workmanship or any problem resulting from the use of substandard materials rectified by another franchisee or independent operator and charge the Franchisee for the cost of reasonably incurred rectification, which the Franchisee shall pay forthwith after invoicing of same.

7.23 The Franchisee must service Client Leads on a date and time agreed with the Client unless:

- (a) the Franchisee (through no fault of its own) is prevented from accessing the Client's property or from completing the work;
- (b) the Client has withdrawn the request for the Service and this has been communicated to the Franchisee;
- (c) the Franchisor has referred Client Leads when the Franchisee has not requested to be available to take Client Leads; or
- (d) the Franchisee has informed the Franchisor that it is unable to do so.

7.24 The Franchisee must not:

- (a) provide any Services for which it is not qualified, licensed or insured, nor the Excluded Services, nor any Services for which it has not undertaken the relevant training as required by the National Franchisor and the Franchisor and the Divisional Franchisor;
- (b) make any representations or provide any warranties other than those specifically authorised in the Manuals; and
- (c) enter into any contract, undertake any employment or do any other thing which interferes with, prevents or delays the due performance of the Franchisee's obligations under this Agreement during its Term.

7.25 The Franchisee must only use the Trade Mark and Materials authorised by the National Franchisor.

Inspection of Equipment

7.26 The Franchisee must, upon receipt of reasonable written notice, permit the National Franchisor and the Franchisor or its representatives or agents to inspect:

- (a) the Plant and Equipment, Materials and such other items used by the Franchisee in the operation of the Franchise Business (**Equipment**); and
- (b) the manner in which the Franchise Business is operated by the Franchisee.

7.27 The Franchisee must:

- (a) present the Equipment for inspection at a place specified by the National Franchisor and the Franchisor but no more than 10 kilometres from the Territory; and
- (b) instead of inspection of a trailer and/or vehicle, at the National Franchisor and the Franchisor's sole discretion, provide recent photos of the trailer and/or vehicle (all four sides including a recent photo of the Franchisee in full uniform holding a sign showing the date on which the photo was taken);

7.28 The Franchisee must provide every reasonable assistance to the National Franchisor and the Franchisor in the conduct of such an inspection.

7.29 If the Franchisee fails to allow an inspection or obstructs an inspection, the National Franchisor and the Franchisor may at their own discretion, issue a Notice of Breach pursuant to this Agreement and terminate this Agreement in accordance with its terms.

7.30 The Franchisee acknowledges that the maintenance of the Equipment is the sole responsibility of the Franchisee.

Advertising

7.31 Subject to Clause 7.32(a), all advertising of the Franchise Business must be undertaken by the Franchisee and such advertising must include the contact details of the Franchise Business and clearly indicate that the Franchise Business is connected with the National Franchisor.

- 7.32 The Franchisee must not, under any circumstances;
- (a) carry out advertising in its own right using the Intellectual Property without the prior written consent of the National Franchisor and the Franchisor;
 - (b) register a contact telephone number for the Franchise Business, which is not the telephone number approved by the National Franchisor;
 - (c) knowingly solicit work from Clients in the Territory which are Clients of another franchisee of the same Division, unless the work is offered to the Franchisee by the Franchisor;
 - (d) knowingly solicit work from Clients of another franchisee of the same Division, unless the work is offered to the Franchisee by the Franchisor;
 - (e) knowingly solicit work in another franchisee's territory; or
 - (f) promote on social media or websites businesses that compete with other franchisees in the Division.
- 7.33 If the Franchisee breaches Clause 7.32, then the Franchisee must:
- (a) in the event of a breach of Clause 7.32(a), immediately cease the advertising;
 - (b) in the event of a breach of Clause 7.32(b), immediately cease using that telephone number and, at its own expense, divert the advertised telephone number to the number approved by the National Franchisor from time to time, regardless of whether this Agreement remains on foot or has been rescinded or otherwise terminated; and
 - (c) in the event of a breach of Clause 7.32(c), pay the Client Value to the Franchisor.

Customer Complaint Handling

- 7.34 The Franchisee must immediately inform the Franchisor of any complaint made by a Client with respect to the behavior of the Franchisee, its employees and agents, and allow the Franchisor or its representative to investigate the complaint and take such remedial action as is deemed necessary by the Franchisor. The Franchisee will be responsible for and pay the reasonable costs incurred by the National Franchisor and the Franchisor in remedying the complaint.

Clauses 7.35 to 7.41 are intentionally left blank in this Agreement.

Stationery

- 7.42 The Franchisee may only produce business cards and other stationery and other Materials in the form authorised by the National Franchisor in writing from time to time.

Obligations of Franchisee to Operate

- 7.43 The Franchisee agrees to devote its sole attention and endeavours to the Franchise Business and will not operate and/or act as an employee, agent, director, officer or principal of another business offering all or some of the Services with the exception of a Jim's Group franchise business.
- 7.44 The Franchisee must:
- (a) prior to the Commencement Date, obtain an ABN;
 - (b) register with the ATO for GST if required to do so;
 - (c) comply with all Laws pertaining to the collection and payment of GST;
 - (d) comply with all Laws pertaining to the Franchise Business and the conduct of the Franchise Business;
 - (e) obtain and maintain all permits and licenses required for the operation of the Franchise Business; and
 - (f) operate the business with strict integrity and pay all debts due to suppliers, franchisors, other franchisees, and any other parties.

Business Names

- 7.45 Subject to Clause 7.46, the National Franchisor will register the Business Names and Domain Names as soon as practicable on or about the Execution Date and pay all renewal fees to maintain these registrations for the Term.
- 7.46 The Franchisee:
- (a) authorises the Franchisor or the National Franchisor, on the Franchisee's behalf, to take any action required to:
 - (i) register, amend, renew, de-register or cancel the Business Name as required under this Agreement, by ASIC or by Law;
 - (ii) invoice the ASIC fees (if any) associated with the actions in Clause 7.46(a)(i) to the Franchisee as required (either directly or through the Franchisor);
 - (b) will, prior to signing this Agreement or at any other relevant time during the Term:
 - (i) execute a Business Name Authority Agreement (or such equivalent agreement or authorisation), in the form acceptable to the National Franchisor or as required by ASIC, and as updated from time to time; or
 - (ii) provide such information to the Franchisor, the National Franchisor or ASIC as required to enable the actions in Clause 7.46(a) to be completed by the National Franchisor.
- 7.47 Notwithstanding Clause 7.46, the Franchisee will be solely responsible for ensuring that the Business Name is appropriately registered, amended, renewed, deregistered or cancelled (as the case may be).
- 7.48 During the Term, the Franchisee must not use the Business Name in any printed or electronic media, publication or internet site, or register a domain name, without the written approval of the National Franchisor and the Franchisor.

Obligation to Maintain Insurance

- 7.49 The Franchisee acknowledges he or she is an independent contractor and that the National Franchisor and the Franchisor do not maintain insurance in respect of accident or illness of the Franchisee and that the Franchisee is not subject to the provisions of any statutory workers' compensation provided by the National Franchisor and the Franchisor.
- 7.50 Accordingly, the Franchisee will obtain and maintain at its expense the following insurance:
- (a) public liability insurance cover with Jim's Insurance as advised by the National Franchisor and set out in the Manuals;
 - (b) extended third party insurance in respect of any motor vehicle used by the Franchisee in the conduct of the Franchise Business;
 - (c) professional indemnity if requested by the National Franchisor and the Franchisor to the value set out in item 14 of the Schedule; and
 - (d) any other insurance that may be required by Law in the State or Territory in which the Franchise Business is operating.
- 7.51 The Franchisee acknowledges that the provision of Clause 7.50 is a fundamental obligation, and that any breach of Clause 7.50 will entitle the National Franchisor by written notice to terminate this Agreement or, at its absolute

discretion, to suspend the Franchise Business until proof is provided by the Franchisee to the National Franchisor that the required insurance is current.

7.52 The National Franchisor expressly reserve the right to increase the minimum levels of the insured amount and the right to require additional or other types of insurance to be maintained by the Franchisee during the Term.

8. Surrender of Franchise

Surrender of part or all of the Franchise Business and Resale

8.1 If the Franchisee desires to sell to another person (**Purchaser Franchisee**) the rights to service Regular Clients and all or a portion of its Territory (the **Sale**) then it must first;

- (a) surrender all or that part of the Franchise Business to the Franchisor (as applicable); and
- (b) seek the written consent of the National Franchisor and the Franchisor to procure a re-grant of the Franchise Business and where applicable, grant of a territory not owned by the Franchisee to the Purchaser Franchisee and the National Franchisor and the Franchisor may not unreasonably withhold this consent if:
 - (i) neither the Franchisee nor the Purchaser Franchisee, if a franchisee, is in breach of their respective franchise agreements; and
 - (ii) the Franchisee submits an accurate list of Regular Clients serviced (if any); and/or
 - (iii) the Franchisee submits an accurate statement of Earnings for the previous financial year and previous 12 months;
 - (iv) the Franchisee provides 14 days written notice to the Franchisor of its intention to surrender the whole of the Franchise Business or part of the Territory, whichever is applicable; and
 - (v) the territory sought which is not owned by the Franchisee is acceptable by the Franchisor.

8.2 In addition to Clause 8.1, the Purchaser Franchisee may be refused by the National Franchisor and the Franchisor if the Purchaser Franchisee fails the normal selection process utilised by the National Franchisor and the Franchisor, including interview and tryout, and does not enter into a franchise agreement in a form acceptable to the National Franchisor and the Franchisor.

8.3 If the National Franchisor and the Franchisor provide the consent referred to in Clause 8.1, the Franchisee and the Purchaser Franchisee must enter into an agreement for the Sale (**Sale of Business Agreement**).

8.4 The Sale of Business Agreement must be signed on the same day as the Purchaser Franchisee's signs the new franchise agreement.

8.5 The Franchisor will assess and finalise any outstanding Pay for Work Guarantee Claim (if any) submitted by the Franchisee pursuant to Clause 6.

8.6 All monies payable by the Purchaser Franchisee for the Sale (excluding payment for equipment) (**Sale Proceeds**) will be paid to the Franchisor who will hold those monies in trust for the benefit of the Franchisee.

8.7 The Sale Proceeds will be distributed by the Franchisor as follows:

- (a) 50 percent of the Sale Proceeds will be returned to the Franchisee within 15 days of the commencement date of the Purchaser Franchisee's franchise agreement, subject to the following deductions made by the National Franchisor and the Franchisor:
- (i) any money (including but not limited to the Monthly Franchise Fees) owing to the National Franchisor and the Franchisor;
 - (ii) any money owing to suppliers or on a business loan where the Franchisor introduced the Franchisee to the lender or where the Franchisor is party to the loan, whether as surety or otherwise;
 - (iii) a fee to the Franchisor equal to 50% of the Sale Proceeds, reduced to 20% if the Franchisee hands over their mobile phone number (if requested). If the 50% or 20% calculation is less than \$3,000, the amount deducted by the Franchisor under this clause will be \$3,000. All fees are plus GST, but only if the sale is without GST.
 - (iv) if the trailer/vehicle (where relevant) was not sold to the Purchaser Franchisee or another franchisee:
 - a. \$2,000; and
 - b. \$500 per month from the surrender date until the Franchisee presents the vehicle/trailer for inspection and approval by the Franchisor demonstrating compliance with clauses 12.19(a), 12.19(b) and 12.19(c) of this Agreement,
and the parties agree that the above amounts are a genuine pre-estimate of the loss to be suffered by the National Franchisor and the Franchisor as a result of the Franchisee's failure to comply with this clause.
- (b) The remaining 50 percent must be placed into an interest bearing bank account by the Franchisor for not less than 45 days (but no more than 60 days) from date of commencement of the Purchaser Franchisee's franchise agreement, after the following deductions are made by the National Franchisor and the Franchisor:
- (i) any other monies owing by the Franchisee to the Franchisor (that may not have been deducted in Clause 8.7(a)(i) and (ii)); and
 - (ii) \$3,999.99 (inclusive of GST), where the Franchisee's Pay for Work Guarantee has been terminated, but too few Regular Clients make a Successful Transition to terminate the Purchaser Franchisee's pay for work guarantee: or
 - (iii) where the Business has no Regular Clients, \$3,999.99 (inclusive of GST) where the Franchisee's gross turnover on average for each month over the previous six months (net of stock) has been less than the four times the Pay for Work Guarantee Amount with the amount collected under Clause 8.7(b)(ii) or (iii) to be paid into the Advertising Account to fund the Franchisor rebuilding the business;
- (c) At the end of the period and deductions outlined in sub Clauses 8.7(a) and (b), the balance of the monies will be paid to the Franchisee. Interest incurred on any monies held under this Clause 8.7 will be applied for the benefit of the Franchisor.

- 8.8 On or before the Purchaser Franchisee signs the franchise agreement, the Regular Clients to be sold must be identified as clients of the Franchise Business and the total aggregate of Client Value of each Regular Client (total Client Value) ascertained. Where all Regular Clients do not make a Successful Transition and the Client Value of the transferring Regular Clients is less than 90 percent of the total Client Value, an amount equivalent to the Client Value of each of the Regular Client(s) that fail to make a Successful Transition will be deducted from the purchase price and divided equally (50/50) between the Purchaser Franchisee as compensation for the reduced value of the Franchise Business and the Franchisor to go into a fund, to allow the Franchisor to rebuild the business. (if any Regular Clients do not make a successful Transition in accordance with this clause the Franchisee is able to replace the Regular Clients with another regular client of equal value each of which shall only be considered to have made a Successful Transition after 45 days. Final payment will not be made to the vendor until any replacements have made a Successful Transition)
- 8.9 The Purchaser Franchisee must execute the then current form of the franchise agreement and, pay the amounts payable under the Sale of Business Agreement. The Purchaser Franchisee will be considered in all respects to have taken over the Franchise Business from the National Franchisor and the Franchisor on the commencement date of the new franchise agreement.
- 8.10 If the Purchaser Franchisee, within fourteen days of execution of its franchise agreement, provides written notice to the Franchisor that it is terminating its franchise agreement, the Franchise Business will revert back to the Franchisee. The Franchise Agreement then remains on foot and the Franchisee will be bound by all the terms and conditions contained herein.
- 8.11 When the Franchisee is surrendering or has surrendered part of the Franchise Business, the Purchaser Franchisee may make a Pay for Work Guarantee Claim to the Franchisor.
- 8.12 Where the Franchise Business is sold at market price or less than market price, the 20 percent or 50 percent fee (whichever is applicable) referred to in Clause 8.7(a)(iii) will be taken and deducted from the market price. This will not apply where the price was reduced by the Franchisor, or where the recipient is a child or spouse of the Franchisee or a director or shareholder of the Franchisee.
- 8.13 Alternatively to Clause 8.12, where the Franchise Business is sold as a going concern, the Purchaser Franchisee agrees and acknowledges that, should the relevant Tax Authority conduct an audit and deem that GST is payable in respect of the sale, the Purchaser Franchisee will be responsible for such payment, including any interest and penalties.

Surrender of Franchise Business where no Resale and Termination

- 8.14 If the Franchisee surrenders the Franchise Business to the Franchisor (and there is no resale of the Franchise Business) or the Franchisee terminates the Agreement, excluding a sale or partial sale of the Franchise Business specified in Clause 8.1, the Franchisee must:
- (a) immediately comply with clauses 12.19 to 12.20 of this Agreement;
 - (b) provide 14 days written notice to the Franchisor of its intention to surrender; and
 - (c) submit an accurate list of Regular Clients serviced (if any) to the Franchisor within 14 days from the initial notice of the surrender.
- 8.15 The Franchisee agrees and acknowledges that the goodwill of the Franchise Business, if any, will be extinguished after 90 days from the date of termination or surrender.

- 8.16 This clause is intentionally left blank.
8.17 This clause is intentionally left blank.

9. Transferring Regular Clients between Franchisees

- 9.1 The National Franchisor and the Franchisor may not remove the rights of the Franchisee to service a Client, unless with the consent of the Franchisee or if the Client requests the National Franchisor and the Franchisor do so. If Clients are being taken care of (by the Franchisee) for another franchisee regardless if the franchisee's agreement is terminated or on foot, the Clients will be returned immediately on request of the Franchisor.
- 9.2 Subject to Clause 9.3, if the Franchisee sells the right to service Clients to another franchisee, the receiving franchisee will pay the price the franchisees agree per Client to the Franchisee for each Client which makes a Successful Transition.
- 9.3 The Franchisee will only sell, exchange or otherwise introduce the right to service Clients or Client Leads:
- (a) to a current franchisee of the Franchisor or, with the consent of the Franchisor, to another franchisee in the Division; and
 - (b) if the Franchisee has had his Pay for Work Guarantee permanently terminated under Clause 6.3.
- 9.4 Where a Franchisee has successfully quoted on a Client Lead, the Franchisee will be considered as servicing the Client, even before actual service has started.

10. Death or Incapacity

- 10.1 If the Franchisee is rendered incapable of duly and punctually performing its obligations under this Agreement, including without limiting the generality of the foregoing due to illness, injury, loss of equipment, or absence for any reason of the Franchisee or of the Employee, the Franchisee will notify the Franchisor promptly. If the Franchisee has not, within 60 days from the date of giving that notice, commenced to duly and punctually perform its obligations under this Agreement or decided to put the Franchise Business up for sale or arranged for an approved person to commence to duly and punctually perform its obligations under this Agreement, then the National Franchisor and the Franchisor may in their absolute discretion terminate this Agreement in accordance with Clause 12.
- 10.2 In the event of the death or mental incapacity of the Franchisee during the Term (in circumstances where the Franchisee is an individual) the Franchisee heirs, executors or trustee should immediately contact the Franchisor. The Franchisor will use their best endeavours to ensure that the Clients are looked after until the Franchisee heirs, executors or trustee have decided if or how they want to run the Franchise. If the heirs, executors or trustee of the Franchisee/ Franchise Business have not, within 60 days from the date of death or mental incapacity, decided to put the Franchise Business up for sale or arranged for the continued operation of the Franchise Business, then the National Franchisor and the Franchisor may in their absolute discretion terminate this Agreement in accordance with Clause 12.
- 10.3 At the request of the heirs, executors or trustee, the National Franchisor and the Franchisor may direct that the Franchisee's interest in the Franchise Business be transferred to a third person approved by the National Franchisor and the Franchisor if the death or mental incapacity of the Franchisee will result in the transfer of a controlling interest in the Franchise Business.

11. Assignment by the National Franchisor and the Franchisor

11.1 The National Franchisor and the Franchisor reserve the right to assign, pledge, or otherwise transfer their right, title and interest in any or all of the Intellectual Property and in this Agreement. Upon assignment, the National Franchisor and the Franchisor will not, except in respect of any antecedent breach, be liable under this Agreement provided that the assignee has agreed to be bound by the National Franchisor and the Franchisors' obligations under this Agreement. The National Franchisor and the Franchisor will give the Franchisee written notice of any such assignment, pledge or transfer, within 14 days of such occurrence.

12. Termination

Termination by the Franchisee

Termination within the Cooling Off Period

12.1 The Franchisee may, within 14 days of the Execution Date, terminate this Agreement by written notice to the National Franchisor and the Franchisor of its intention to do so.

12.1A Clause 12.1 does not apply to:

- (a) the renewal of an existing Franchise Agreement; or
- (b) the extension of the term or scope of an existing Franchise Agreement; or
- (c) the transfer of a Franchise Agreement that does not involve entry into a new Franchise Agreement between the transferee and the National Franchisor and the Franchisor.

12.2 Where the National Franchisor and the Franchisor have received notice pursuant to Clause 12.1, the National Franchisor and the Franchisor must, within 14 days of the receipt of the Notice, repay to the Franchisee all payments made by the Franchisee to the National Franchisor or the Franchisor connected with the Agreement less 10 percent of that amount in consideration of the reasonable expenses of the National Franchisor and the Franchisor.

Termination outside of the Cooling Off Period

12.3 If more than 14 days from the Execution Date have passed, the Franchisee may terminate this Agreement, at any time, by providing 14 days written notice to the National Franchisor and the Franchisor of its intention to do so.

12.4 Termination pursuant to Clause 12.3 will immediately disqualify the Franchisee from being liable to receive any refund of fees and other charges including but not limited to the Initial Franchise Fee and the Initial Warranty Fee.

Termination by the National Franchisor and the Franchisor

Termination with Notice

12.5 If the Franchisee fails to perform any of its obligations under this Agreement the National Franchisor and the Franchisor may serve a Notice of Breach.

12.6 If, at the expiration of 28 days (or for default of payment of monies due under this Agreement or due at all to the National Franchisor and/or its related entities, at the expiration of 14 days) from the date of the Notice of Breach

the Franchisee has not rectified the breaches and complied with the Notice of Breach to the satisfaction of the National Franchisor and the Franchisor, then the National Franchisor and the Franchisor may terminate this Agreement by issuing a written termination notice to the Franchisee.

Termination on 7 day's notice

- 12.7 The National Franchisor and the Franchisor may terminate this Agreement by providing seven days written notice to the Franchisee, if the Franchisee:
- (a) no longer holds a license to carry on the Franchise Business;
 - (b) becomes bankrupt, insolvent under administration or an externally-administered body corporate;
 - (c) is a company, the Franchisee becomes deregistered by ASIC;
 - (d) voluntarily abandons the Franchise Business or the franchise relationship;
 - (e) is convicted of a serious offence;
 - (f) operates the Franchise Business in a way that endangers public health or safety;
 - (g) is fraudulent in connection with operation of the Franchise Business;
 - (h) agrees to the termination of this Agreement; or
 - (i) has been issued a Notice of Breach for poor customer service or poor survey results regarding the Franchisee's customer service and receives further complaints or poor survey results regarding the Franchisee's customer service during the notice period set out in the Notice of Breach.

Temporary Suspension of Agreement

- 12.8 If, in the reasonable opinion of the National Franchisor and the Franchisor, the Franchisee's breach of this Agreement is likely to cause substantial loss or damage to the Franchise Business or to the National Franchisor and the Franchisor's good name and reputation, the National Franchisor and the Franchisor may, by notice in writing:
- (a) set out the matters giving rise to the breach;
 - (b) require the Franchisee to remedy the breach within 14 days by setting out the National Franchisor and the Franchisor's requirements for that remedy; and
 - (c) suspend the Agreement for such term as the National Franchisor and the Franchisor deem appropriate but not for a period exceeding three months if the Franchisee does not remedy the breach within the 14 day period.
- 12.8A The Agreement may also be suspended if the Franchisee is seriously ill, but not for a period exceeding three months. In order to suspend the Agreement for this reason the Franchisee (or their representative) must put forward a request in writing to the National Franchisor and the Franchisor for their approval (at their sole and absolute discretion).
- 12.9 Where this Agreement has been suspended pursuant to Clause 12.8 or 12.8A, the National Franchisor and the Franchisor retain the right to appoint another person or franchisee to provide the Services to Clients of the Franchisee.
- 12.10 The Franchisee must not conduct the Franchise Business or hold itself out as providing the Services during any period of suspension operating pursuant to Clause 12.8 or 12.8A.

Parental Leave

- 12.11 The Franchisee is entitled to suspend the operation of its Franchise Business by providing the National Franchisor and the Franchisor with written notice of its intention to take parental leave provided that:
- (a) the Franchisee is not in breach of this Agreement at the time the notice is given; and
 - (b) the Franchisee provides such written notice no less than 10 weeks prior to its intended commencement of parental leave.
- 12.12 The maximum allowable period of suspension of this Agreement due to parental leave is 12 months from the commencement date of the leave subject to Clause 12.13 below.
- 12.13 If the Franchise Business is one to which Regular Clients are applicable, at the expiration of six months of the leave taken in accordance with this Clause 12, the Franchisee must attempt to sell the right to service its Clients to another franchisee or authorise the National Franchisor and the Franchisor to do so, at the then current Client Value. The funds from the sale are to be used by the National Franchisor and the Franchisor to seek new clients when the Franchisee resumes operating the Franchise Business, subject to Clause 12.14 below.
- 12.14 In the event that the Franchisee fails to resume operation of the Franchise Business within 12 months, the funds paid for its Clients will become the property of the National Franchisor and the Franchisor and all fees under this Agreement will resume to be charged to the Franchisee.
- 12.15 No fees are to be charged to the Franchisee during the period of suspension referred to in Clause 12.11.
- 12.16 The Franchisee retains full responsibility for arranging the servicing of its Clients by other franchisees during the suspension period.
- 12.17 The Franchisee must provide written notice to the National Franchisor and the Franchisor 10 weeks prior to its intention to return from parental leave to operate the Franchise Business, or, if the length of the intended leave is less than 10 weeks, then prior to commencement of the leave.

Additional remedies available to the National Franchisor and the Franchisor

- 12.18 The termination of this Agreement pursuant to Clause 12 is in addition to such other remedies available to the National Franchisor and the Franchisor and the election not to terminate will not constitute a waiver by the National Franchisor and the Franchisor of their rights to terminate this Agreement.

Effect of Termination

- 12.19 Without prejudice to any other rights or remedies the National Franchisor and the Franchisor may have, on the termination of this Agreement for any reason set out in this Clause 12, the Franchisee:
- (a) must immediately cease to provide Services, operate as a Franchisee of the Franchise System and to hold itself out as a Franchise Business operator;
 - (b) must immediately cease using the Intellectual Property including trading under any business name (including the Business Name), domain name (including the Domain Name), trade mark (including the Trade Marks), logo or indicia that gives the appearance, creates the impression or misleads or deceives people into believing that the franchisee is associated with the National Franchisor and the Franchisor;
 - (c) must immediately cancel and withdraw from use the Intellectual Property including any company name, business name (including the Business Name, domain name (including the Domain Name), trade mark

(including any Trade Mark), Logo or indicia that give the appearance, creates the impression or misleads or deceives people into believing the at the Franchisee is associated with the National Franchisor and/or the Franchisor. All advertising relating to the Franchise Business including on vehicles, in electronic directories and through the use of any Business Name or Domain name must be removed or cancelled and it is the responsibility of the franchisee to ensure such advertising is removed or cancelled including contacting the National Franchisor and the Franchisor to seek assistance to effect such removal or cancellation if required.

- (d) must transfer to the National Franchisor and/or the Franchisor or its nominee any telephone or other communications services (including the numbers for those services) installed or promoted for the Franchise Business. In the case of the sale of the Franchise Business, at the sole discretion of the National Franchisor and the Franchisor, the Franchisee must pay \$1,100 (inclusive of GST) to the National Franchisor and the Franchisor, should the Franchisee fail to transfer the telephone number and the parties agree that this payment is a genuine pre-estimate of the loss to be suffered by the National Franchisor and the Franchisor as a result of the Franchisee's failure to comply with this clause;
- (e) itself, or a company in which it has an interest has a name, or is the registered proprietor of a business name or mark which comprises or includes the words "Jim's" or any part thereof, the Franchisee must do all things necessary to transfer or cancel the registration and the Franchisee must cease to use all such names and marks;
- (f) must do all acts and things necessary to transfer to the National Franchisor and the Franchisor or its nominee, any licenses, permits or approvals held by the Franchisee;
- (g) must immediately return to the National Franchisor or the Franchisor all copies of the Manuals;
- (h) must immediately remove or change any signs, fixtures, logos or colour schemes used in the Franchise Business including removing all Intellectual Property and Trade Mark from any trailers and/or other vehicles the ownership of which will remain with the Franchisee. If the Franchisee fails to do so within seven days from the date of termination the National Franchisor and the Franchisor may take immediate steps (without further notice to the Franchisee) to issue proceedings in Court to recover a fixed amount of \$5,000 (plus any amount over and above this in damages incurred by the National Franchisor and the Franchisor as a result of the Franchisee's failure to comply by this Clause) plus costs (including legal costs) and interest. The parties agree that \$5,000 is a genuine pre-estimate of the loss to be suffered by the National Franchisor and the Franchisor as a result of the Franchisee's failure to comply with this clause;
- (i) must within seven days from the date of termination, return to the National Franchisor or the Franchisor all documents (and copies of documents) relating to the Franchise Business (including but not limited to the Books and Records, files, memoranda, guidelines, instructions, directions, correspondence containing information of the National Franchisor and the Franchisor or about the Franchise System including, but not limited to, sales material, brochures, recipes, draft agreements, invoices, credit notes, stationery, computer programs with data base and manuals), Materials, uniforms with logos and all Plant and Equipment (unless the Plant and Equipment is owned by the Franchisee in which case the Franchisee must comply with Clause 12.19(h) above);
- (j) must pay immediately all monies which are due and payable to the National Franchisor (and/or any related entity of it) or the Customer Contact Centre and all monies payable to any Jim's Group franchisor or franchisee (whether due and payable under this Agreement or otherwise);
- (k) must pay all monies due and payable to any of its suppliers or trade creditors; and
- (l) within seven days, provide a report as to any Clients in the form detailed in Clause 4.21. If the Franchisee fails to do so, then the last report submitted by the Franchisee in accordance with Clauses 4.21 will be binding upon the Franchisee who will be conclusively deemed to agree that it represents a true and correct statement of the Clients of the Franchisee as at the date of termination.

12.19A Within 21 days of termination of this Agreement, the Franchisee must provide evidence (to the National Franchisor and the Franchisor) confirming that it has complied with the obligations set out in this clause

(including but not limited to providing the National Franchisor and the Franchisor with photographs which show that all Intellectual Property has been removed including that all signs, fixtures and/or logos have been removed from vehicles).

- 12.20 If the Franchisee fails to comply with Clauses 12.19 (a), 12.19(b), 12.19(c) or 7.3, it must pay to the National Franchisor and the Franchisor, by way of liquidated damages, the amount of \$200 (inclusive of GST) per week for the period of such default and until the relevant Clause or Clauses have been complied with to the reasonable satisfaction of the National Franchisor and the Franchisor.
- 12.21 The Parties acknowledge that the liquidated damages in Clause 12.20 above represent a genuine pre-estimate of loss to be incurred by the National Franchisor and the Franchisor as a result of the said default by the Franchisee of the relevant terms of this Agreement.
- 12.22 The termination of this Agreement will not:
- (a) release the Franchisee from its obligations to perform any covenant or agreement which, in accordance with its terms, must be performed in whole or in part after the termination of this Agreement; or
 - (b) render such covenants or agreements unenforceable.
- 12.23 The termination of this Agreement does not release the Franchisee from its obligation to indemnify the National Franchisor and the Franchisor for any costs or expenses incurred by the National Franchisor and the Franchisor in rectifying, repairing or otherwise compensating a Client for damage or loss caused by any act or omission of the Franchisee.
- 12.24 The termination of this Agreement will not abrogate, release, impair or extinguish any debt, obligation or liability of the Franchisee towards the National Franchisor and the Franchisor whether the debt, obligation or liability accrues or arises before or after the termination of this Agreement.
- 12.25 The Franchisee will remain solely liable after termination to rectify or to pay for the cost of rectification undertaken by the National Franchisor and the Franchisor on any work performed by them as a Franchisee that is of poor quality, requires warranty work or is not completed as quoted.

Option to purchase the assets of the Franchise

- 12.26 Prior to and within 30 days of the termination or expiration of this Agreement, the National Franchisor and the Franchisor may by notice in writing to the Franchisee, elect to purchase the Plant and Equipment, signs, fixtures, fittings, improvements and supplies, provided such assets are free from any and all encumbrances (**Assets**).
- 12.27 Upon receipt of the notice referred to in Clause 12.26, the Franchisee must offer the right to the National Franchisor and the Franchisor to buy any or all of the Assets (apart from motor vehicles) for the original purchase price less 20 percent per annum depreciation, or such lesser depreciation as may be determined in writing by the National Franchisor and the Franchisor, and less any costs associated with necessary repairs or refurbishment.
- 12.28 If the National Franchisor and the Franchisor have not exercised the option referred to in Clause 12.26 above, the Franchisee must remove the Intellectual Property and all related decals and silhouette of Intellectual Property from any Plant and Equipment or other items owned or used by the Franchisee and repaint any trailer

or vehicle used in the Franchise Business a different colour than that identified with the Franchise Business in compliance with Clause 12.19(h) above.

- 12.29 If the Franchisee fails to comply with Clause 12.28, the Franchisee must provide written authority to the National Franchisor and the Franchisor or its agent to enter upon the property of the Franchisee and release and hold harmless the National Franchisor and the Franchisor from any liability for trespass or conversion while they remove the Intellectual Property.

Termination of the Franchisor by the Franchisees

12.30 If, within a period of three calendar months, at least 51% of Franchisees in the Franchisor's Region make a request in writing to the National Franchisor for the Agreement to be terminated (**Requests**), then:

- (a) the National Franchisor will notify the Franchisor of the Requests, in writing (**Notification**);
- (b) the National Franchisor may call a meeting, to be attended by the National Franchisor, the Franchisor and the Franchisees in the Region (**Attendees**) (**Meeting**). The purpose of the Meeting is to identify the reasons for the Franchisees' Requests and for the Attendees to discuss with the Franchisor how it is to remedy the issues set out in the Requests;
- (c) regardless of whether a Meeting is or is not held, the Franchisor will be given three months from the date of the Notification to rectify the issues set out in the Requests, to the reasonable satisfaction of the Franchisees in the Region and the National Franchisor (**Rectification Period**); and
- (d) at the conclusion of the Rectification Period, the National Franchisor will send a written request to the Franchisees in the Franchisor's Region, seeking responses as to whether the Franchisees in the Region are satisfied that the issues set out in the Requests have been rectified by the Franchisor (**Responses**). If at least 51% of Franchisees within the Franchisor's Region respond (**Vote**), within the time period specified by the National Franchisor (in its sole and absolute discretion), that they are not satisfied in this regard, then the National Franchisor may, in its sole and absolute discretion, terminate the Agreement. The decision to terminate or not to terminate the Franchisor rests solely and absolutely with the National Franchisor.

[Please note: for the purpose of this Clause a Franchisee is entitled to one Vote per one Territory. This means that, for example, if a Franchisee has one Franchise Agreement in place but the Franchise Agreement relates to two Territories then the Franchisee is entitled to two Votes].

12.30A Without limitation to the factors that the National Franchisor may have regard to when exercising its discretion under clause 12.30 if, at the time of receiving the Responses, the Franchisor is wholly compliant with the Agreement (including the Manual) in every respect and the National Franchisor, in its sole and absolute discretion, believes that the interests of the Franchisees and/or the Division would be better served by retaining the Franchisor, then the National Franchisor may elect not to proceed with termination of the Agreement.

12.30B In the event that the National Franchisor exercises its discretion under Clause 12.30 and 12.30A and elects not to proceed with termination of this Agreement, the Franchisees in the Region may not submit any further requests for termination of the Agreement until at least three months have expired from the date that the National Franchisor notifies the Franchisees in the Region of its decision not to proceed with termination of the Agreement.

12.30C If, within forty-eight hours of being notified of the Vote, the Franchisor offers for sale its interest in the Franchisor's Business to the National Franchisor at a price per Franchisee in the Region that is comparable to other recent sales of franchise regions, particularly those within the same Division, and allows the Region

to be managed by the National Franchisor until the sale has been completed, the National Franchisor will postpone the termination of the Agreement for 6 months. If a sale of the Franchisor's Business has not been completed at the conclusion of this six month period, then the National Franchisor may elect to proceed with termination of the Agreement.

Where the Franchisee is a Partnership

- 12.31 Where the Franchisee is a partnership, each partner of that partnership (**Partners**) agrees and acknowledges that:
- (a) the National Franchisor has requested a copy of the partnership agreement for its records;
 - (b) the Partners executing this Agreement are the only partners of the Franchisee as at the Execution Date;
 - (c) the Partners execute this Agreement in their capacity as Partners;
 - (d) the Partners have equal authority to act on behalf of the Franchisee and bind the Franchisee and the Partners in all matters relating to the Franchise Business or this Agreement, unless:
 - (i) otherwise specified in the partnership agreement provided to the National Franchisor; and
 - (ii) expressly notified to the National Franchisor and the Franchisor in writing; or
 - (iii) otherwise specified to the National Franchisor and the Franchisor in writing signed by the Partners;
 - (e) subject to sub-clause (d) above, the National Franchisor and the Franchisor shall:
 - (i) accept instructions from any of the Partners; and
 - (ii) advise or instruct any of the Partners,for the purpose of the Franchise Business and/or this Agreement, and such instructions and/or advice shall be taken to be given or received on behalf of the Franchisee.
 - (f) in the event of a dispute between one or more of the Partners, the National Franchisor and the Franchisor shall appoint a Partner from whom instructions and advice shall be given and received on behalf of the Franchisee, unless otherwise specified in accordance with sub-clause (d) above.

13. Indemnity

- 13.1 The Franchisee will indemnify and hold the National Franchisor and the Franchisor harmless from any claims, losses or damages including any legal costs incurred by the National Franchisor and the Franchisor as a result of:
- (a) the operation of the Franchise Business; and
 - (b) the act or omission of the Franchisee or its employee, agent or contractor.
- 13.2 Clause 13.2 is intentionally left blank in this Agreement.
- 13.3 Without limiting the generality of Clause 13.1 above, the Franchisee acknowledges that:
- (a) it operates the Franchise Business at its own risk;
 - (b) there are a number of health and safety risks involved in providing the Services, these include but are not limited to the following:
 - (i) skin cancer; and
 - (ii) other risks associated with working outdoors;
 - (c) it is the sole responsibility of the Franchisee to take appropriate steps to minimise these risks; and

- (d) the National Franchisor and/or the Franchisor and/or the Divisional Franchisor do not hold themselves out as providing supervision to monitor, enforce or control the Franchisee or its employees, agents or contractors in minimising risks to health and safety.

14. Miscellaneous

Franchisee independent of the National Franchisor and the Franchisor

- 14.1 The Franchise Business of the Franchisee is independent from the business of the National Franchisor and the Franchisor and this Agreement does not constitute, and will not be interpreted as, an agency, partnership or joint venture between the National Franchisor, the Franchisor and the Franchisee and in accordance with this Clause, the Franchisee must:
- (a) conduct the Franchise Business as a business independent of the National Franchisor and the Franchisor and clearly identify on all signage, stationery and the like that the Franchise Business is being operated pursuant to a franchise agreement from the National Franchisor and the Franchisor; and
 - (b) not represent that it has the authority to act on behalf of the National Franchisor and the Franchisor either in the capacity as a partner or agent, or that either party is a joint venturer, employee or fiduciary of the other.

Amendment to Agreement

- 14.2 The terms of this Agreement may be amended by the National Franchisor and the Franchisor on the following conditions:
- (a) a referendum proposal with the proposed amendment is posted to each franchisee in the Region and the following conditions are satisfied;
 - (i) at least 60 percent of franchisees in the Region who return forms within 30 days are in favour of the proposed amendment; and
 - (ii) the National Franchisor has approved the proposed amendment; or
 - (b) by written agreement of the Franchisee, the Franchisor, and the National Franchisor.
- 14.3 Amendments to this Agreement made pursuant to Clause 14.2(a) and (b) above will become binding on all franchisees in the Region, including the Franchisee.

Waiver

- 14.4 The waiver or partial waiver of any powers, rights or remedies accruing to, vested in or conferred on the Franchisee pursuant to this Agreement will not be effective unless made in writing and signed by or on behalf of the National Franchisor and the Franchisor.

Agreement binding on successors and assigns

- 14.5 This Agreement will be binding on and operate for the benefit of the National Franchisor and the Franchisor and their duly appointed successors or assigns.

Severance of terms

14.6 If any provision in this Agreement breaches any Law or becomes invalid or illegal or adjudged unenforceable, the provision will be deemed to have been severed from this Agreement and the remaining provisions of this Agreement will, so far as possible, not be affected by the severance and remain in full force and effect.

Notices

14.7 Any notice, report, statement, invoice or payment permitted or required to be sent, issued or delivered under this Agreement or sent, issued or delivered pursuant to the Code (**Notice**) will be sent, issued or delivered to the receiving Party at an address of that Party specified in the Schedule to this Agreement or such other addresses as may be notified by the Parties in writing, or by email.

14.7A A Notice takes effect from the time it is received.

14.7B A Notice will be taken to be received:

- (a) if the Notice is sent by post, two days after the date the Notice is sent;
- (b) if the Notice is sent by email, immediately; and
- (c) if the Notice is delivered by hand, upon delivery.

14.7C The Franchisor and the Franchisee agree to immediately notify the National Franchisor if there is a change to any of their addresses specified in the Schedule to this Agreement.

Interest

14.7 The National Franchisor and the Franchisor will be entitled to charge the Franchisee interest under the provisions of the Penalty Interest Rates Act 1983 on any amounts owing to the National Franchisor and/or the Franchisor under this Agreement or otherwise. The right to charge interest will arise if the Franchisee fails after receiving notice from the National Franchisor and/or the Franchisor to pay the said amount.

Costs to Recover Debts

14.8 Either or both of the National Franchisor and the Franchisor are entitled to:

- (a) issue legal proceedings; and/or
- (b) engage the services of a collection agency and/or solicitor and/or counsel, to recover any amounts owed by the Franchisee to the National Franchisor and/or the Franchisor pursuant to this Agreement or otherwise. If the Franchisee fails, after receiving notice from either of the National Franchisor or Franchisor, to pay the said amount, the National Franchisor and the Franchisor are entitled to charge the Franchisee all fees and charges incurred to recover such amounts.

The National Franchisor and the Franchisor may remedy Default

14.9 If after having received written notice from either of the National Franchisor or the Franchisor of a default or breach of its obligations under this Agreement, the Franchisee fails, refuses or is unable to remedy the default or breach, either of the National Franchisor or the Franchisor may in their absolute discretion remedy the breach at the Franchisee's cost. For the purposes of this Clause, the Franchisee appoints the Franchisor as its irrevocable attorney in its name, and on its behalf, with the power to do any and all acts, execute and deliver all instruments necessary to give effect to any act which the Franchisor may do pursuant to this Clause.

15. Resolving Disputes

Choice of complaint handling procedure

- 15.1 A Party (**complainant**) who has a dispute with another Party (**respondent**) may:
- (a) take action under Clause 15.2 (internal complaint handling procedure); or
 - (b) take action in accordance with Clause 15.3 (Code complaint handling procedure), as set out in Part 4 “Resolving Disputes” of the Code.

15.1A This Clause and Part 4 of the Code does not affect the right of a Party to bring legal proceedings, whether under the Agreement or otherwise.

Internal complaint handling procedure

- 15.2 A Party who has a dispute with another Party may elect to take action under the internal complaint handling procedure set out in this Clause:
- (a) The complainant must tell the respondent in writing:
 - (i) the nature of the dispute; and
 - (ii) what outcome the complainant wants; and
 - (iii) what action the complainant thinks will resolve the dispute;
 - (b) the Parties should then try to agree about how to resolve the dispute;
 - (c) if the Parties cannot agree how to resolve the dispute under Clause 15.2(b) within three weeks, either Party may refer the matter to a mediator for mediation under this Clause or Clause 15.3 as provided for in the Code;
 - (d) if the Parties cannot agree on who should be the mediator, either Party may ask the mediation adviser, as defined in the Code, to appoint a mediator and the mediation adviser must appoint a mediator for the dispute within 14 days of the referral pursuant to Clause 15.2(c) or the request under this Clause;
 - (e) the mediator appointed for the dispute may decide the time and place for mediation however the mediation must be conducted in Australia;
 - (f) the Parties must attend the mediation and try to resolve the dispute;
 - (g) after the mediation has started, the mediator must advise the mediation adviser, within 28 days of that fact.

Code complaint handling procedure

- 15.3 A Party who has a dispute with another Party may elect to take action under the Code complaint handling procedure, set out in Part 4, Division 3 of the Code which currently provides as follows:
- (a) the complainant must tell the respondent in writing:
 - (i) the nature of the dispute; and
 - (ii) what outcome the complainant wants; and
 - (iii) what action the complainant thinks will resolve the dispute;
 - (b) the Parties should then try to agree about how to resolve the dispute;

- (c) if the Parties cannot agree how to resolve the dispute under Clause 15.3(b) within three weeks, either Party may refer the matter to a mediator for mediation under Clause 15.2 or this Clause as provided for in the Code;
- (d) if the Parties cannot agree on who should be the mediator, either Party may ask the mediation adviser, as defined in the Code, to appoint a mediator and the mediation adviser must appoint a mediator for the dispute within 14 days of the referral pursuant to Clause 15.3(c) or the request under this Clause;
- (e) the mediator appointed for the dispute may decide the time and place for mediation however the mediation must be conducted in Australia;
- (f) the Parties must attend the mediation and must try to resolve the dispute;
- (g) after the mediation has started, the mediator must advise the mediation adviser, within 28 days of that fact;
- (h) the Parties are equally liable for the costs of mediation under this Clause, unless they agree otherwise; and
- (i) the Parties must pay for their own costs of attending the mediation.

15.3A If at least 30 days have lapsed after the day that mediation pursuant to Clause 15.3 began and the dispute has not been resolved:

- (a) the mediator may terminate the mediation at any time, unless the mediator is satisfied that a resolution of the dispute is imminent; or
- (b) the mediator must terminate the mediation if either Party asks the mediator to terminate the mediation; and
- (c) the mediator must issue a certificate stating:
 - (i) the names of the Parties;
 - (ii) the nature of the dispute;
 - (iii) that the mediation has finished; and that the dispute has not been resolved; and
- (d) the mediator must give a copy of the certificate to the mediation adviser and each of the parties to the dispute.

15.4 In addition to referring the matter to a mediator for mediation in accordance with Clause 15.2 and 15.3, the Parties may alternatively agree to refer the dispute for conciliation or arbitration, in the manner set out in Clause 15.2 and 15.3.

16. **General**

Taxes

16.1 Any Taxes (including but not limited to GST) arising from or as a result of the execution of this Agreement will be borne by the Franchisee and it is the Franchisee's responsibility to investigate and pay any such Taxes.

Time

16.2 Time will be of the essence in this Agreement.

No waiver

16.3 Acceptance by the National Franchisor and/or the Franchisor of any non-payment by the Franchisee, and failure, refusal or neglect of the National Franchisor and/or the Franchisor to exercise any right under this Agreement or to insist upon full compliance by the Franchisee with its obligations in this Agreement or in the Manuals, including without limitation any specification, standard, operating procedure or instruction will not constitute a waiver of any provision of this Agreement. Any waiver granted by the National Franchisor and/or the Franchisor will be without prejudice to any other rights it may have, and may be revoked at any time, and for any reason, by written notice.

Rights to Clients cease on termination

16.4 The Franchisee agrees that the National Franchisor has provided the Franchisee with the ability to obtain income from Clients and that all rights to Clients including the right to provide the Services to the Clients will cease upon termination of the Agreement, whether by effluxion of time or otherwise.

Reference to this Agreement

16.5 Any reference in this Agreement to a Clause, schedule, special condition or annexure will mean a Clause, schedule or annexure within this Agreement unless otherwise stated.

Legal Jurisdiction

16.6 Any legal action, proceeding or mediation in relation to a dispute under the Agreement, shall be brought in the State or Territory within which the Franchise Business operates, unless otherwise agreed between the parties to the legal action or proceeding.

No inducement

16.7 The National Franchisor and the Franchisor do not engage in conduct that would restrict or impair the Franchisee or prospective franchisees freedom to form an association or ability to associate with other Franchisees or prospective franchisees for a lawful purpose.

GST compliance

16.8 In the case of Australia, it is the sole responsibility of the Franchisee to comply with the rules and regulations pertaining to the collection of GST with respect to the operation of the Franchise Business, as stipulated by the ATO from time to time in the rules and regulations pertaining to GST.

CPI increases

16.9 In this Clause, the following definitions apply:

Annual CPI Increase means the annual increase in CPI calculated as a percentage change from one year ending 30 June to the next as published by the Australian Bureau of Statistics.

CPI Increase means the increase in CPI between two consecutive Periods, calculated as a percentage.

Increase Date means a date in or around mid-October of each year on which the National Franchisor applies the Annual CPI Increase to the amounts payable under the Agreement.

Period means the monthly, quarterly, annual or other regular period in respect of which CPI is calculated and published by the Australian Bureau of Statistics.

- (a) The National Franchisor, at its discretion, may increase all amounts payable under the Agreement by the Annual CPI Increase on the Increase Date every year throughout the Term.
- (b) For clarity, Clause (a) applies where the Agreement is issued to the Franchisee between 30 June and the Increase Date during the first year of the Agreement.
- (c) Notwithstanding Clause (a), but save as provided in Clause (d), in the event that the CPI Increase for a Period exceeds 1% at any time, the National Franchisor may at its discretion increase all amounts payable under the Agreement, by the CPI Increase at any time, following publication of the CPI Increase by the Australian Bureau of Statics.
- (d) Clauses (a) and (c) shall not apply to:
 - (i) the Initial Franchise Fee; and
 - (ii) the Initial Warranty Fee.

All fees inclusive of GST

16.10 All fees referred to in this document and the Schedule are inclusive of GST applicable at the time of execution of the agreement. In the event, there is an increase in the applicable GST, the fees payable under this agreement will be adjusted to allow for the increase.

Counterparts

16.11 The Agreement may be executed in any number of counterparts and all such counterparts taken together will be deemed to constitute one and the same document.

Trustee

16.12 If the Franchisee enters into this Agreement as trustee of a trust, the Franchisee warrants that:

- (a) it has power to enter into this Agreement as trustee of that trust;
- (b) the trust has been validly created and is in existence at the date of this Agreement;
- (c) it has been validly appointed as trustee of the trust and is presently the sole trustee of the trust;
- (d) it has properly signed this Agreement in accordance with the terms of the trust; and
- (e) it has the right to be indemnified from the assets of the trust and that right has not been lost or impaired by any action of the Franchisee including entry into this Agreement.

Miscellaneous Interpretation

16.13 In this Agreement unless the context otherwise requires:

- (a) the singular includes the plural and one gender includes the other gender;
- (b) a party includes the party's executors, administrators, transferees, successors and permitted assigns;

- (c) a reference to a sale price includes a reference to consultancy, other fees and any consideration passing other than money;
- (d) the value of any consideration other than for money or of the amount referred to in Clause 16.13(c) will be as agreed by the parties and failing agreement, will be as determined by an expert appointed by the President of the Institute of Valuers (or such similar body), who will act as an expert and not an arbitrator and whose decision will be binding upon the Parties, with the costs of any determination by expert to be borne equally and the parties legally represented if they so wish; and
- (e) a person includes a body corporate.

Severance

16.14 The Parties agree:

- (a) To apply a construction of each provision of this Agreement that creates a legal and enforceable provision;
- (b) That any illegal or unenforceable provision will be severed from this Agreement and will not affect the continued operation of the remaining provisions; and
- (c) Use their best endeavours to replace any severed provision with a commercial import as close as possible to the severed provision.

17. Privacy Policy

17.1 The National Franchisor and the Franchisor will provide to prospective franchisees and Clients the Franchisee's mobile telephone number and the name of their Territory.

17.2 Notwithstanding Clause 17.1 and subject to Clause 17.8, the National Franchisor and the Franchisor will not without the Franchisee's approval provide the Franchisee's home address or home telephone number to any person or entity that is not directly employed or contracted to the National Franchisor and/or the Franchisor.

17.3 The National Franchisor and the Franchisor will not provide the details of the Franchisee's Clients to any person or entity that is not directly employed or contracted to the National Franchisor and/or the Franchisor.

17.4 Subject to Clause 17.5, the National Franchisor and the Franchisor will not provide or use the details of Franchisee's Clients for the purpose of canvassing or telemarketing without the approval of the Client or the Franchisee.

17.5 The National Franchisor and the Franchisor reserve the right to canvas Franchisee's Clients with respect to customer satisfaction and quality related issues.

17.6 Subject to Clause 17.7, the National Franchisor and the Franchisor will ensure that all financial details provided with respect to the Franchise Business will be confidential and will not be passed on to any other entity or person that is not an employee or agent of the National Franchisor and/or the Franchisor.

17.7 The National Franchisor and the Franchisor reserve the right to use the financial information provided by the Franchisee in statistical information, ensuring that the identity of the source of the financial information will not be identified.

17.8 Upon the termination of the Agreement, the National Franchisor and the franchisors will provide to prospective divisional franchisors, franchisors or franchisees, the Franchisee's name, location (including the name of their Territory) and last known contact details for the purpose of disclosure as required by the Code unless the Franchisee has made a written request to the National Franchisor and the Franchisor that its details not be disclosed to a prospective divisional franchisors, franchisors or franchisee

18. Directors' Guarantees

18.1 A Guarantee and Indemnity is required only from the directors of the company, where the Franchisee is a company (including if the Franchisee is a trustee (which is a company) of a trust.

18.2 IN CONSIDERATION of the National Franchisor and the Franchisor and their successors and assigns at the request of the guarantors agreeing to enter into this Agreement, the guarantors covenant and agree with the National Franchisor and the Franchisor that:

- (a) they hereby guarantee and indemnify to the National Franchisor and the Franchisor payment to the National Franchisor and the Franchisor of any money owing by the Franchisee to the National Franchisor and the Franchisor on any account whatsoever at the end of this Agreement or thereafter.
- (b) if the Franchisee in any respect fails to perform its obligations under this Agreement, then the guarantors indemnify the National Franchisor and the Franchisor against all losses, damages, costs (including legal costs) and expenses which may be incurred by them, by reason of any failure or breach on the part of the Franchisee in performing and observing the Agreement and the Manuals.
- (c) if any question or dispute arises as to the amount of any losses, damages, costs and expenses, the amount will be determined by mediation. If the Parties cannot agree within 14 days about who should be the mediator, then the president from time to time of the Law Institute of Victoria, or the equivalent law society of the relevant State or Territory in which the Franchise Business operates, will be requested to appoint a mediator
- (d) they will not be discharged or released from this guarantee by any arrangement made between the Franchisee and the National Franchisor and/or the Franchisor without the assent of the guarantors or by any alteration in the obligations undertaken by the Franchisee, or by any forbearance whether as to payment, time, performance, or otherwise.
- (e) this guarantee and indemnity will:
 - (i) be a continuing and unlimited guarantee;
 - (ii) not be waived or satisfied by the acceptance by the National Franchisor and/or the Franchisor of any money comprising part of money owing by the Franchisee to the National Franchisor and the Franchisor or by any release, variation, exchange, renewal or modification of the terms of this Agreement, or by any neglect, indulgence or forbearance on the part of the National Franchisor and the Franchisor in the enforcement of any money owing or other obligation or by the making of any arrangement with or release of the Franchisee;
 - (iii) not be revocable during the Term or while any obligations of the Franchisee remain;
 - (iv) not be affected and the guarantors will not be exonerated notwithstanding any negotiable or other securities or any change of membership of any partnership or firm or company or the transfer of the benefit of this guarantee, by the National Franchisor and the Franchisor; and
- (f) all payments received by the National Franchisor and the Franchisor from the Franchisee will be received by the National Franchisor and the Franchisor as payments in gross, and no right of subrogation will exist until the National Franchisor and the Franchisor have received payment in full of any money owing or satisfaction in due of all other outstanding obligations;
- (g) no proceedings will be taken by the guarantors against the Franchisee to enforce any security without the prior consent of the National Franchisor and the Franchisor, nor will the guarantors claim in the

bankruptcy or liquidation of the Franchisee in competition with the National Franchisor and the Franchisor;

- (h) the guarantors hereby appoint the National Franchisor and the Franchisor their attorney of the guarantors to execute and do all such acts, matters and things which the National Franchisor and the Franchisor require pursuant to this guarantee and indemnity.
- (i) the National Franchisor and the Franchisor may:
 - (i) act as though the guarantors were the principal debtor or primarily responsible for the obligations of the Franchisee, notwithstanding any inconsistency with any rights as surety which may otherwise apply;
 - (ii) by any authorised officer of the Franchisee or by its solicitors give to the guarantors a written demand specifying the debt, and this notice will be conclusive evidence of the debt and will be deemed to be delivered one business day after being posted to the address of the guarantors specified in Schedule 2(d); and
 - (iii) claim in any liquidation or bankruptcy of the Franchisee without competition from the guarantors.

SAMPLE

ANNEXURE A –
FRANCHISEE WRITTEN STATEMENT ACKNOWLEDGING RECEIPT OF DISCLOSURE DOCUMENT & CODE
OF CONDUCT

The Franchisee acknowledges that at least 14 days prior to the Execution Date or prior to the Franchisee making a non-refundable payment to the National Franchisor and the Franchisor or an associate of the National Franchisor and the Franchisor in connection with the Agreement, the Franchisee has received a copy of the Information Statement, Agreement, the Code and the Disclosure Document, as required by the Code.

The Franchisee acknowledges that it has read all of these documents and had a reasonable opportunity to understand them.

The Franchisee confirms that, prior to entering into the Agreement it has sought and obtained advice about the Agreement and the Franchise Business by any of the following:

(Delete/cross out where not applicable)

1. an independent legal adviser;
2. an independent business adviser; or
3. an independent accountant.

In the event that the Franchisee has not sought or obtained advice from one of the above advisers or accountant, the Franchisee acknowledges that the National Franchisor and the Franchisor have told the Franchisee that it should seek and obtain advice about the Agreement or the Franchise Business from an independent legal adviser, an independent business adviser or an independent accountant and that despite the National Franchisor and the Franchisor recommendation, the Franchisee has independently decided not to seek and obtain the advice.

Signed for and on behalf of the Franchisee, {fse._full_legal_name} in accordance with {fse.corporations_act_term}:

{fse._signatories_documents_section}

On theday of 20__

SCHEDULE

1(a) Date of agreement/Execution Date

1(b) Commencement Date

2 PARTIES TO THE AGREEMENT

(a) **THE NATIONAL FRANCHISOR:**

Name in Full:	Jim's Group Pty. Ltd
A.C.N:	101 925 268
Registered Address:	48 Edinburgh Road, Mooroolbark, Victoria 3138
Mailing Address:	As Above
Telephone:	(03) 9780 9998

(b) **THE FRANCHISOR:**

{fso._entity_documents_section}

(c) **THE FRANCHISEE:**

{fse._entity_documents_section}

(d) **GUARANTORS:**

3 **TERRITORY**

TERRITORY NAME: {territory.name}

The area defined as: {territory.description}

4 **REGION NAME**

{fso.trading_name}

5 **THE SERVICES**

The Franchise Business may provide: {schedule.services}

6 **THE EXCLUDED SERVICES**

{schedule.excluded_services}

7 **INITIAL FRANCHISE FEE**

(a) The Initial Franchisee Fee for the purchase of {fse.division_name} ({territory.name}) was paid by the Franchisee on or around {fse.signed_date} the initial franchise agreement was executed. Initial Franchisee Fee – Refer to the Sale of Business for the purchase price of the business. {schedule.initial_franchise_fee_description}

(b) {schedule.national_franchise_fee_description}

(c) Documentation Fee of \$295.00 (including GST).

(d) {schedule.initial_franchise_fee_extra}

(e) Payable as follows:
{fse_document_fields.payment_plan}

8 **MONTHLY BASE FEE**

(a) {schedule.monthly_base_fee_description}

(b) {schedule.administration_discount_description}

(c) {schedule.conference_contribution_description}

9 **MONTHLY ADVERTISING FEE**

(a) {schedule.monthly_advertising_fee_description}

(b) {schedule.franchisee_managed_advertising_fund_description}

10 **LEAD FEE**

{schedule.discount_lead_fee_description} {schedule.lead_fee_description}

11 **NATIONAL BRANDING FEE**
{schedule.national_branding_fee_description}Not applicable

12 **CLIENT VALUE**
{schedule.client_goodwill_description}Not applicable

13 **MANUALS**
{schedule.manuals}

14 **PROFESSIONAL INDEMNITY INSURANCE COVER**
{schedule.professional_indemnity_insurance_cover}

15 **PAY FOR WORK GUARANTEE**
{schedule.wag_description}Not applicable

16 **THE DISTANCE**
{schedule.distance}

17 **INTENTIONALLY BLANK**
{schedule.intentionally_blank}Not applicable

18 **ALLOWABLE SERVICES FOR PAY FOR WORK GUARANTEE**
{schedule.wag_services}Not applicable

19 **FREE SERVICE MAXIMUM**
{schedule.free_service_maximum_description}Not applicable

20 **INITIAL TRAINING FEE**
{schedule.initial_training_description}Not applicable

21 **INTENTIONALLY BLANK**
Not applicable

22 **TRADE NAMES AND MARKS OF THE FRANCHISOR**

TRADE MARK REGISTRATION NUMBER 895897



ALLOWED VARIATION TO TRADE MARK
<logo>

23 **INTENTIONALLY BLANK**

Not applicable

24 **NUMBER OF CLIENT LEADS (FOR PAY FOR WORK GUARANTEE)**

{schedule.number_of_leads_description}

25 **NAME OF OTHER BUSINESS**

{fse.name_of_other_business}
(if applicable, as referred to in clause 7.3(b))

26 **REGULAR CLIENTS**

{schedule.regular_clients_description}

27 **{fse.technology fee title}**

{schedule.jimbo_ipad_fee_description}- \$0.00 (including GST) per month payable to the National Franchisors; and
- \$0.00 (including GST) per month payable to the Divisional Franchisor.

28 **BOOKING CONFIRMATION FEE**

{schedule.booking_confirmation_fee_description}Not applicable

29 **CALL TRANSFER FEE**

{schedule.call_transfer_fee_description}Not applicable

30 **PAGING FEE**

{schedule.paging_fee_description}Not applicable

SAMPLE

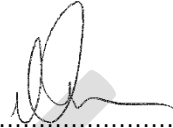
EXECUTED ON THE DAY OF 20__

Execution by the National Franchisor

Executed by Jim's Group Pty Ltd ACN 101 925 268 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:

Director

Signed by David James Penman

) 
.....

Execution by the Franchisor

Executed by {fso._full_legal_name} in accordance with {fse.corporations_act_term}:

{fso.director_directors_header}

{fso._signatories_documents_section}

Execution by the Franchisee

Executed by {fse._full_legal_name} in accordance with {fse.corporations_act_term}:

{fse.director_directors_header}

{fse._signatories_documents_section}

{fse.guarantor_guarantors_header}

{fse._signatories_documents_section}

ANNEXURE B

SAMPLE

SPECIAL CONDITION

SAMPLE